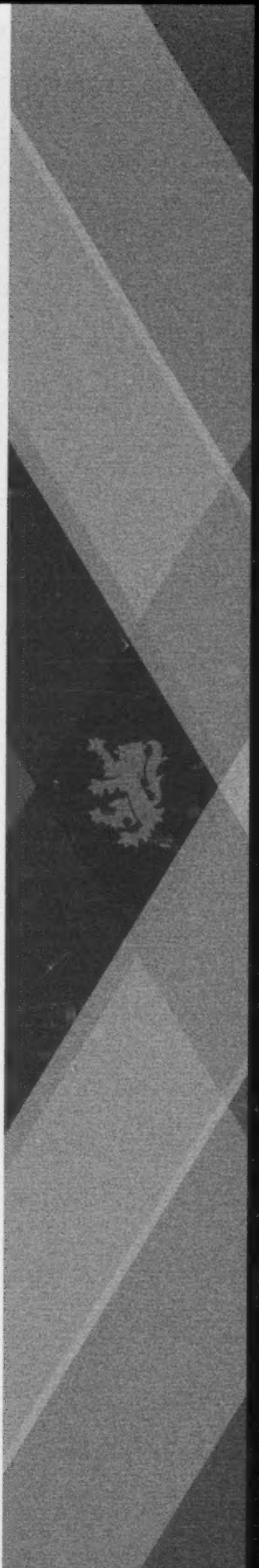
Budget
2016–2017

Working together for a stronger Nova Scotia

Crown Corporation Business Plans



NOVA SCOTIA

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Crown Corporation Business Plans

Crown corporation business plans are printed under authority of Section 73 of the Provincial Finance Act:

73 Commencing April 1, 1997, a Crown corporation shall annually

(a) submit to the House of Assembly for approval during consideration of the Estimates its business plan and any proposed public financing; and

(b) table in the House of Assembly audited financial statements for the preceding fiscal year

The public presentation, annually, of Crown corporation business plans will increase the accountability to the House of Assembly of organizations generally accepted to be in the public sector but outside the direct control of government. Business plans define key elements of Crown corporations such as their mission, strategic goals, and core functions as well as give indication of performance, priorities, outcome measures, and budgets.

Organizations included in this volume are designated as Crown corporations by their enabling legislation, by Order in Council, or by application of the criteria established under Section 70 (Crown Corporations) of the Provincial Finance Act.

The approval of business plans as required by clause (a) will be sought through the Estimates Resolutions. Compliance with clause (b) will be achieved throughout the fiscal year as audited financial statements become available.

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Crown Corporation Business Plans

2016–2017

Art Gallery of Nova Scotia

NOVA SCOTIA

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Message from the Chair

On behalf of the board of governors of the Art Gallery of Nova Scotia, I am pleased to present the gallery's business plan for 2016–2017. As the largest art museum in Atlantic Canada, the gallery aspires to be at the heart of artistic and cultural energy in the region and understands its contribution to the socio-economic well-being of the province.

The gallery is looking to the future. Over the last year, the gallery engaged its board of governors, employees, and a cross-section of members, volunteers, partners, and donors to redefine its mission and vision statement. The outcome of this process is a clear path forward and a focused plan with continued emphasis on engaging and welcoming new visitors, as well as longstanding supporters, to Nova Scotia's fine art museum.

The 2016–2017 annual business plan was prepared by the Art Gallery of Nova Scotia, taking into consideration government's priorities and policies and the realities facing the gallery. The annual plan and supporting budget were reviewed and approved by the gallery's board of governors.

Sincerely,

Erik Sande
Vice Chair

Mission

To stimulate a meaningful connection with art, through stewardship of its professional collection, partnerships, exhibitions, education, and programming.

Vision

The Art Gallery of Nova Scotia is at the heart of artistic and cultural energy in Atlantic Canada. We invite, inspire, and engage diverse audiences to join us in exploring the world through art.

Mandate

The Art Gallery of Nova Scotia (AGNS) falls under the portfolio of the Department of Communities, Culture and Heritage (CCH). The department is responsible for the preservation, celebration, and growth of all things cultural – from the arts, dance, and music to archives, museums, and libraries, as well as Nova Scotia's natural heritage, linguistic expression, and more.

The AGNS serves a very specific function within the department's arts investment portfolio. The gallery has the mandate to acquire, preserve, interpret, and exhibit the Government of Nova Scotia's art collection. The gallery aligns with departmental objectives such as community engagement and development of local artists through its programming and exhibitions, and relationships with regional, national, and international galleries and art museums.

Purpose

With more than 17,300 works, Nova Scotia's permanent collection of art is an incredible resource and a wonderful reflection of the people, the culture, and the heritage of Nova Scotia. The purpose of the AGNS is to build, protect, and present the people's collection of art so Nova Scotians and visitors alike can explore and discover the province's place in the world through art.

Driving Principles

Build on the Strength of the Permanent Collection

The people's collection should be a source of pride and a reflection of what is distinctive and important to the province. To support this principle, the gallery has developed an exhibition strategy and slate of programs designed to showcase the richness of the permanent collection as well as the tremendous creative capacity and diversity of Nova Scotia's artists.

Terroir is the centrepiece of the AGNS 2016–2017 exhibition schedule. The intent is to create a multi-sensory experience, anchored by an enhanced suite of programs and events featuring artists from all parts of the province. As the term *terroir* suggests, the art is representative of the land and environment that inspires and influences its unique perspective.

The latter half of the 2016–2017 exhibition schedule will feature iconic photography from the permanent collection as well as internationally acclaimed Atlantic Canadian artists. This strategy enables the gallery to engage more visitors by building on its resident strengths and the dynamic mix of works from celebrated artists and the permanent collection.

Contribute to the Socio-economic Well-being of the Province

The gallery has vast experience in developing educational programming that benefits and supports Nova Scotians across the province. Programs such as Autism Arts, delivered in Halifax and the gallery's Western Branch in Yarmouth, are innovative in the Canadian context. Artful Afternoon, delivered in partnership with the Alzheimer's Association of Nova Scotia and private sector partner, The Berkley, provides people with dementia and their partners in care with appropriate and engaging experiences with art.

The gallery's volunteer docents provide exceptional learning opportunities for thousands of students, of all ages, to explore a range of topics though art. In 2015–2016, educational programs such as ArtReach and ArtsSmarts connected students from 17 communities across the province to art and concepts not typically available in their area.

The gallery's programs are strengthened by engaging artists to share their expertise and talent. By building on its core expertise, the gallery believes its programs align with government's goals and priorities of supporting enhanced health and wellness outcomes, improving the resiliency and social well-being of communities, and introducing our youngest citizens to varied and rich early childhood experiences.

The gallery attracts visitors and contributes to cultural tourism in the province. Volunteer guides engage visitors every day with tours of the gallery and its collection. Their insight and expertise help orient visitors to the culture and heritage of the province through art.

In 1996, the AGNS secured both the funding and the necessary space to create a permanent gallery for Maud Lewis's Painted House and a collection of the artist's works. Twenty years later, a new movie on the life and art of the beloved Nova Scotian artist will be released as the gallery marks this milestone. The gallery views this as a wonderful opportunity to attract visitors and reacquaint audiences with Maud Lewis and the iconic images that have become synonymous with Nova Scotia.

The gallery also has a role in contributing to the province's national and international reputation. The AGNS actively works with partners to promote the cultural vibrancy of the province, understanding how this influences an individual's decision on where to live, work, attend university, or start a family. The gallery also understands the importance of cultural institutions to leading companies in determining where to locate or expand a business. As part of this principle, the gallery will build on the expertise developed over the last 13 years as the lead institution for the Sobey Art Award to enhance its reputation as a force in Canadian contemporary art through innovative programming, scholarship, and exhibition.

Stewardship

Stewardship – managing the gallery's finances responsibly, strategically collecting and caring for art work, and exhibiting Nova Scotia's excellent artists as well as those from around the world – remains a central principle for the gallery.

Context

The AGNS is at a critical juncture. After more than 100 years in operation, the gallery is charting an ambitious course forward, with the intention of creating a new and iconic home for the gallery and the province's permanent collection of art.

Funding for the practice of art and the support of organizations that allow artists to connect with each other and their audiences is an important component of the Canadian cultural landscape. Yet the current financial climate is proving difficult for many institutions. Apart from an operational grant from the provincial government, the gallery must secure approximately $1.8 million annually to support programs and services. This lack of predictable funding has challenged the gallery in many ways.

One of the gallery's goals in fiscal 2016–2017 is to hire a Chief Advancement Officer to support more-robust fundraising, contributing to greater operational stability and laying the financial footing for a new gallery.

The gallery's physical plant has also been a constant distraction and source of frustration. Flooding, leaking windows, and systems failures have caused temporary closures and limited the gallery's ability to attract visitors and some travelling exhibits. The gallery is now facing more than two years of work to upgrade its HVAC system. Although the work should have limited impact on visitors, staff will be required to constantly monitor conditions, move art, and adjust schedules to accommodate the HVAC work. The age of the building and thickness of the walls in the North Gallery means that wiring for Wi-Fi is very costly. Finding a technology partner to help wire and animate the gallery is another priority for 2016–2017.

Enhanced internal controls and a focus on stewardship are critical to positioning the gallery for the future. CCH is supporting the gallery in advancing legislative change to provide management and the board of governors with responsibility and accountability to chart a course forward. In preparation, the team at the gallery is examining internal processes and focusing on planning to better respond to both challenges and opportunity.

To thrive, cultural organizations must build sustainable, mutually beneficial partnerships with like-minded organizations. Institutions like the gallery must also create bridges – through education, programming, and interpretation – that enable people to experience and connect with art. After a year of research and examination, the gallery has a much better understanding of its strengths and its ability to forge a new path for the future.

Core Business Functions

The core business of the AGNS is the creation, accumulation, and dissemination of knowledge through the visual arts. The following four distinct core business areas are delivered through various functional areas in the gallery, both in Halifax and in our Western Branch.

Acquisitions

The AGNS acquires artworks for the permanent collection according to the mandate of the acquisition committee and the gallery's mission statement. The gallery maintains related library, film, website, video, and resource support materials, along with institutional archival records pertaining to collections, exhibitions, and institutional history.

Preservation

The AGNS ensures proper management of the collection through documentation, maintenance of records, and research. The gallery strives to ensure that the Province of Nova Scotia's collection is preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted museum practices.

Exhibitions

The AGNS is committed to our mission of stimulating a meaningful connection with art. The AGNS presents a wide range of art in our exhibition programs in Halifax, the Western Branch, and across Nova Scotia through our travelling exhibition and outreach programs. The gallery is committed to building audiences for art. To do this, the gallery focuses on the richness of the permanent collection, creating exhibitions that highlight the breadth and depth of the people's art collection and making it available on loan to institutions across the region and the country, and beyond our borders. The gallery also builds partnerships to broaden the reach of our art exhibitions, to tour exhibitions within the province, across the region, and throughout the country. The AGNS actively seeks partnerships to ensure that projects, most of which focus on the art of Nova Scotia and Atlantic Canada, are seen by as many audiences as possible. The gallery is committed to raising the profile of this region's art activity across the country, to developing exhibitions that examine the work of individual artists, and to a publication program that does justice to their work. Thematic exhibitions, drawn almost exclusively from the permanent collection, complement solo exhibition projects on view and in development. The objective is to be a leader in the advancement of knowledge and understanding of visual art, and in the fostering of the careers of Canadian artists, with a focus on artists based in this region.

Education and Public Programming

The AGNS has an ambitious education and public programming strategy that focuses on both on-site and outreach activities. On-site activities include the interpretation of our temporary exhibitions programming and of our permanent collection exhibitions. Offerings include special exhibitions, the development of in-house didactic material in exhibitions, daily guided public tours, early childhood education programs, infant and toddler / parent programs, studio/gallery workshops for students and teachers, and family programs. The gallery has a large docent program to support school visits and the fostering of lifelong learning with a series of lectures, films, artist talks, and other educational activities such as access to archives, publications, and study materials. Outreach activities involve many partnerships across the province that advance the gallery's mission of stimulating a meaningful connection with art. The gallery also works with educational institutions, libraries, social service agencies, hospitals, and other community organizations in a wide array of programs.

Strategic Goals and Priorities

The Government of Nova Scotia's plan is to focus on three priorities – *People*, *Innovation*, and *Education* – within the context of fiscal sustainability and the delivery of core services efficiently and effectively.

The AGNS's 2016–2017 annual business plan outlines outcomes, goals, and performance measures that align with government's three priorities while delivering on the gallery's mission and core services. Each of the goals in this plan is followed by the letter P, I, or E, indicating the government priority it supports.

This plan has been informed by the ONE Nova Scotia Coalition and the Coalition Action Plan.

An analysis of the gallery's strengths, weaknesses, opportunities, and threats, as well as current trends and the realities facing Canadian museums and cultural institutions, provides clear direction for the future.

Based on this direction, the gallery is focused on three strategic priorities: **Education & Programming**, **Engagement & Experience**, and **Stewardship**.

Partnerships enable the gallery to deliver on all three strategic priorities. Through partnerships, the gallery is able to extend its reach, connect with new and diverse audiences, share resources, and build on the knowledge and expertise of others. Partnerships are critical in delivering programming and educational initiatives as well as engaging visitors and creating a memorable experience for visitors.

Education and Programming

Statistics repeatedly show the benefits of programming in supporting creative learning and exposure to the arts for preschoolers and primary to grade 12 students as well as older adults and people coping with numerous health-related challenges. Preschoolers exposed to a broad range of learning experiences have better long-term developmental, health, and societal outcomes.

Outcome to be achieved

Nova Scotians enjoy vibrant, culturally rich lives (enriched through visitation or involvement in education and programming at the AGNS).

Goals

Education initiatives and programming through the AGNS will

- enhance education, health, and wellness outcomes and support the development of young children (P)(E)
- engage more students and early adopters (preschoolers & primary to grade 3 students) across the province (P)(E)
- welcome and assist in the resettlement of new Nova Scotians and contribute to more-resilient, socially and economically viable communities (P)(E)
- engage the expertise and talent of more Nova Scotian artists (P)

Longer-term educational initiatives and programming at the AGNS will be recognized nationally for its leadership and innovation, with program curriculum and development generating strong results and potential revenue.

Engagement and Experience

Younger people value and look for culturally vibrant communities when determining where to live, work, attend university, or start a family. Leading companies look for cultural institutions and communities that value and support the arts when determining where to locate or expand a business. Having strong, vibrant cultural institutions like the AGNS is important. The gallery understands how broader engagement contributes to this goal and to the institution's long-term sustainability. Broader engagement also brings a host of other benefits for the gallery, as well as for the province.

People are looking for experiences. From Mommy and Me Yoga to date nights and hands-on art activities, leading museums and galleries are opening their doors for diverse groups to have experiences with art. By enhancing basic wayfinding and hosting special events, galleries are using experiences to elevate each and every visit. The gallery recognizes that a positive experience will encourage visitors to return and to tell others to do the same. In 2016–2017, the gallery will take every opportunity to partner with the private sector and community-based organizations to create memorable experiences.

Outcome to be achieved

Nova Scotia benefits from engagement with art and culture

Goals

Engagement and experience with the AGNS will

- warmly welcome Nova Scotians and attract more and diverse visitors to the gallery (P)
- ensure that more Nova Scotians understand the relevance, and appreciate the value, of their art gallery and the province's permanent collection (P)(E)
- stimulate a meaningful experience while visiting the AGNS (P)(I)
- create an easy, holistic, technology/social-media–based experience (P)(I)
- drive partnership and broader involvement/investment in the gallery (P)(I)

Stewardship

The gallery is entrusted with the protection, preservation, and presentation of Nova Scotia's permanent art collection. The gallery also receives an operational grant from the province as well as sponsorship and donations from individuals and the private sector. It is important that the gallery be a responsible steward of the permanent collection and of the funds provided to operate and deliver programs and experiences to Nova Scotians and visitors.

Outcome to be achieved

The AGNS is a responsible steward of the province's permanent collection and uses sound fiscal principles to provide sustainable funding for programming and exhibitions.

Goals

Stewardship by the AGNS will

- provide exceptional care, exhibition, and cultivation of the province's permanent collection of art (P)(I)
- provide sound fiscal management of the funds provided to deliver on the gallery's mandate (I)
- deliver confidence to members, sponsors, and donors that their investments and gifts are well managed and used for their intended purpose (P)(I)
- build a case for support for a new gallery

Outcomes and Performance Measures

Core Business Area *Nova Scotians enjoy vibrant, culturally rich lives (enriched through visitation or participation in education and programming at the AGNS)*

Measure	**Target**			**Trends**			**Strategies to Achieve Target**
		2010–11	**2011–12**	**2012–13**	**2013–14**	**2014–15**	
Number of people participating in school, health, and wellness programs	10% increase per year	6,008	4,613	5,351	5,959	6,395	Develop and deliver relevant programs designed to introduce art, the gallery, and associated benefits to new and diverse audiences, based on the 2016–17 exhibition schedule. Continue and increase initiatives with government and community-based organizations to introduce children, underserved (health/wellness) populations, and immigrants to the gallery. Conduct program review for impact, partnership, and sustainability.
Program survey rating (by teachers and partners): • overall positive experience • relevance to classroom curriculum • relevance to program objectives		Survey to be developed to measure satisfaction and gather baseline data					

Core Business Area *Nova Scotia benefits from engagement with art and culture*

Measure	**Target**			**Trends**			**Strategies to Achieve Target**
		2010–11	**2011–12**	**2012–13**	**2013–14**	**2014–15**	
Attendance Level	10% increase per year	38,892	37,198	49,274	41,592	41,519	Enhance visitor experiences through interpretation and hands-on activities. Enhance visitor experience training for employees and volunteers. Develop comprehensive marketing and communications plans to engage more visitors. Develop robust survey tools and establish baseline.
Number of visitors to the website	10% increase per year	83, 347	81, 886	92, 567	96, 825	105, 257	
Repeat engagement in programs Visitor satisfaction		Survey to be developed to measure satisfaction and gather baseline data					

Core Business Area *The Art Gallery of Nova Scotia is a responsible steward of the province's permanent collection, using sound fiscal principles to provide sustainable funding for programming and exhibitions*

Measure	Target			Trends			Strategies to Achieve Target
		2010–11	2011–12	2012–13	2013–14	2014–15	
Level of funding from donations and sponsorships	10% increase per year	$160,781	$208,021	$232,017	$183,613	$330,649	Build development capacity at the gallery.
# works acquired consistent with the AGNS Acquisition Policy	100%	100%	100%	100%	100%	100%	Upgrade security to protect the permanent collection and loaned art in the gallery's care. Establish measures (benchmarks) and gather data to support evidence-based decision making.
# works publicly available through display, online, and on tour	Baseline data to be developed. In future, targets would be a percentage of the 17,300 works we own.						Update AGNS collections database to improve access, exhibitions, and study of the permanent collection.

Budget Context

	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Revenues			
Operating	2,351,500	2,381,500	2,160,300
Development and Fundraising	877,000	508,953	991,146
Programming recoveries	411,250	371,981	178,000
Educational recoveries	198,200	173,817	286,686
Western Branch	33,600	18,787	17,500
Gallery Shop	31,000	152,100	160,000
Acquisition Fund	–	266,402	–
Endowment Fund	51,750	785,650	45,000
Total revenue	**3,954,300**	**4,659,190**	**3,838,632**
Expenses			
Salaries and benefits	2,184,194	2,067,163	2,227,907
Administration	329,700	384,700	280,500
Building operations	14,500	12,900	19,800
Programming	693,059	640,978	394,004
Education Programs	160,115	106,132	164,989
Communications and Marketing	233,900	176,013	290,900
Western Branch	229,943	239,341	185,517
Gallery shop	13,000	141,700	141,115
Acquisitions	20,000	292,458	15,235
Endowment fund	29,050	47,560	35,200
Total expenses	**3,907,461**	**4,108,945**	**3,755,167**
Revenue less expenses	46,839	550,245	83,465
Amortization of tangible capital assets	46,415	29,357	82,825
Annual surplus	**424**	**520,888**	**640**

Conclusion

The Art Gallery of Nova Scotia is an asset to the province, as evidenced by its partnerships with organizations focused on education, health, and wellness. The gallery is relevant and engaged in addressing many of the issues facing Nova Scotia. The gallery is also an important part of creating a rich and vibrant province – an attractive place for highly skilled young people and lifelong residents.

In 2016–2017, the AGNS will focus on **Education/Programming**, **Engagement/Experience**, and **Stewardship** in order to create a sustainable foundation to advance the gallery and its long-term goals.

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Halifax Harbour Bridges

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Message from the Chairman of the Board and the CEO

We are pleased to present the 2016–2017 business plan for Halifax Harbour Bridges (HHB).

HHB's prime initiative for the 2016–2017 fiscal year is the same as last year's – the focus will remain on the Big Lift.

The Macdonald Bridge suspended spans deck replacement project, also known as the Big Lift, will extend the life of the bridge by 75 years or more and will reduce maintenance. Essentially, the Macdonald Bridge is being taken apart to replace deck segments and reopening for traffic. There are 46 segments that make up the suspended span being replaced.

At the end of the last fiscal year, 8 of the 46 deck segments were replaced. The project is behind schedule, yet we believe we can reach the milestone of having all segments replaced by the end of 2016.

This is only the second time that a suspension bridge superstructure has been replaced while keeping the bridge open to traffic during the day. The first time was on the Lion's Gate Bridge in Vancouver.

The number one priority of the Big Lift is safety. We never compromise the safety of the structure or for the people who use the bridge.

Members of the board of commissioners are highly engaged with the Big Lift progress, providing the necessary governance required to ensure that the goals of the project are met. This will ensure that we fulfill our mission of providing safe, efficient, and reliable cross-harbour transportation infrastructure in a cost-effective manner.

Wayne F. Mason
Chairman of the Board of Commissioners

Steve Snider
General Manager and CEO

Mandate

The Halifax-Dartmouth Bridge Commission (operating as Halifax Harbour Bridges, or HHB) is the self-supporting entity that operates and maintains two toll bridges: the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge. HHB was created in 1950 by a statute of the Province of Nova Scotia and now operates under a statute passed in 2005 (the act).

The objectives of HHB are to

a) maintain and operate the bridges and any other transportation project authorized by Section 27 of the Halifax-Dartmouth Bridge Commission Act

b) assess, market, license, implement, provide, maintain, and integrate such electronic collection systems as are approved by the Governor in Council

Alignment with Government's Priorities

The government's plan is to focus on three priorities – *People*, *Innovation*, and *Education* – within an overall context of fiscal sustainability and delivering core services efficiently and effectively.

Government's overall objectives for the term of its mandate remain as follows:

- Material progress in leading, supporting, and working with Nova Scotians in advancing toward the 19 goals set out in the ONE NS report
- Population growth, improved health and wellness outcomes, increased workforce participation, and enhanced social well-being
- Balanced-budget fiscal plan with expected surplus by 2017–2018 and ongoing fiscal sustainability

HHB will continue to deliver its core service of providing safe, efficient, and reliable cross-harbour transportation infrastructure efficiently and effectively. HHB contributes to government's overall objective of a balanced-budget fiscal plan by focusing on cost control and delivering net income to the general revenue fund as a government business enterprise (GBE). HHB will measure performance through its actual financial results compared to the annual budget.

Alignment with government priorities is evidenced by the innovative approach taken with the Macdonald Bridge suspended span re-decking project (the Big Lift project). HHB recognizes the economic importance of two bridges in providing efficient, reliable transportation links. With this in mind, HHB structured the project to minimize bridge closures to overnights and weekends. This innovative approach to the project makes the project more complex to execute but ensures that the bridge is open to customers when it is needed most.

Furthermore, HHB's philosophy is to extensively engage local communities. Local partners are major participants in the project, with approximately 77 per cent of the value of the project expended in Nova Scotia.

Core Responsibilities

HHB's mission is to provide safe, efficient, and reliable cross-harbour transportation infrastructure in a cost-effective manner.

Actions

Key actions undertaken by HHB in 2016–2017 to deliver core services include the following:

1. Completion of the annual bridge structure inspections to identify maintenance requirements and ensure that items from previous inspections are properly addressed. The annual inspection report forms the basis of the capital improvement and maintenance plan.
2. Continuation of the Macdonald Bridge suspended span re-decking project. The construction phase of the project started in 2015–2016, and the objective in 2016–2017 is to achieve certain key project milestones, while staying within the financial budget. Actions to achieve this objective include maintaining a fully staffed project management office, completing detailed reviews of contractor submissions and work, communications with the contractor and consultants, and ongoing communications with stakeholders.
3. Development of a multi-year strategic plan for the next generation of tolling technology and integration of this plan with government's plans for tolling in the province. HHB's cash collection equipment is nearing the end of its functional life, leading to reduced performance and greater repair costs. A long-term tolling strategy will guide HHB's approach in rehabilitating toll equipment and the toll plazas.

Inputs

The following will ensure that HHB has the financial and human resources in place to undertake the key actions described above:

- Multi-year financial planning is undertaken to project toll revenues, operating costs, capital investment requirements, and debt-service needs. Toll revenue requirements are based on these projections, and HHB monitors actual financial results to ensure sufficient financial resources.
- Annual departmental plans are developed under the framework of HHB's strategic plan to project human resource requirements.

Performance Measures

To measure progress on the actions described, HHB undertakes

- customer satisfaction ratings regarding maintenance, safety, service, and value for tolls paid, to be measured through regular customer surveys
- a review of the repair projects completed by HHB in the current year against the high- and medium-priority items from the annual inspection report required to maintain the physical condition of bridge structures
- financial results measured against annual operating and capital budgets

Budget Context

	Budget 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Budget 2016–17 ($ 000)
Revenue			
Toll revenue	30,920	30,897	30,424
Other rate charges	47	71	47
Trust fund investments	70	71	91
Other	301	320	326
Investment income	25	85	40
Total revenue	**31,364**	**31,444**	**30,928**
Expenses			
Operating	7,272	6,602	6,741
Maintenance	3,082	2,802	2,682
Amortization	8,292	6,478	7,015
Debt servicing	1,110	1,091	2,392
Loss (profit) on disposal of property, plant and equipment	–	361	–
Total expenses	**19,756**	**17,333**	**18,830**
Net operating and comprehensive income	**11,607**	**14,111**	**12,098**

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Innovacorp

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Message from the Board Chair

In February 2014, the Nova Scotia Commission on Building Our New Economy delivered *Now or Never: An Urgent Call to Action for Nova Scotians*. Commonly referred to as the "Ivany Report," the commission highlighted underlying challenges in the Nova Scotia economy and expressed a belief that we have the ability to change our path – and the moment to change that path is now. Subsequently, the ONE NS Coalition developed a 10-year plan to realize the vision and goals set forth in the Ivany report.

At Innovacorp, we see emerging opportunities that can be capitalized upon to improve our future.

Nova Scotia's start-up scene is increasingly vibrant, and like any other ecosystem it is not immune to global financial, demographic, and socioeconomic factors. Still, in contrast to the Nova Scotia economy at large, the start-up segment is relatively robust. As the province's early-stage venture capital organization, Innovacorp sees the start-up community's momentum building every day. The young, knowledge-based companies Innovacorp invests in and assists are innovative and globally competitive, and they create high-value jobs. These start-ups are vital to growing our economy.

This plan outlines how Innovacorp will help deliver on the provincial government's priority of innovation and establish Nova Scotia as a strong and globally competitive economy. The work will help create a climate for private sector and social enterprise economic growth by concentrating our efforts on the following priorities in government's Framework for Private Sector Growth:

- Increasing Entrepreneurship and Start-ups
- Supporting Innovation and Commercialization
- Striving for Global Competitiveness, Trade, and Investment
- Building Capacity in High Potential Clusters

By focusing on these priorities, Innovacorp will play an important role in increasing innovation, commercialization, and entrepreneurship success stories in Nova Scotia.

Sincerely,

Rodney F. Burgar
Board Chair, Innovacorp

Mandate

Innovacorp is Nova Scotia's early-stage venture capital organization.

Our mission is to find, fund, and foster innovative Nova Scotia start-ups that strive to change the world. Our vision is that this region will be among the top 10 start-up ecosystems in the world.

Early-stage investment is at the core of our business model. We also give entrepreneurs access to world-class incubation facilities, expert advice, and other support to help them commercialize their technologies, accelerate their companies, and succeed in the global marketplace. We support the start-up community and culture across the province through competitions, programs, and events that foster a vibrant entrepreneurial ecosystem.

Alignment with Government's Priorities

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable government.

Government goal: Create climate for private sector and social enterprise economic growth to support ONE NS economic goals.

Government's Framework for Private Sector Growth (the Framework) is guiding government's actions to create the climate for private sector growth so the ONE NS goals can be achieved. The following are some of the ways in which Innovacorp supports the priorities of the Framework:

1. **Entrepreneurship and Start-ups**

   Innovacorp's work every day is focused on Nova Scotia start-ups and the entrepreneurs that lead them.

   We offer early-stage risk capital, incubation facilities, expert advice, and other support to help entrepreneurs commercialize their technologies, accelerate their companies, and succeed in the global marketplace.

   Further, while much of our effort targets our current clients, we also deliver many programs, competitions, and events to encourage entrepreneurship and the creation of new start-ups across the province. Through these efforts, Innovacorp will help:

   - Increase the number of high potential, scalable companies that are export focused.
   - Increase the amount of private sector investment in high potential start-ups.

2. **Support Innovation and Commercialization**

   As our name suggests, innovation drives our work at Innovacorp. In fact, our mission is to find, fund, and foster innovative Nova Scotia start-ups that strive to change the world.

   We know innovation drives new value creation, resulting in economic growth through commercialization.

While Innovacorp's entire offering supports innovation and commercialization, two programs stand out. Through our Early Stage Commercialization Fund (ESCF), we help move university and community college research to market. Our Productivity and Innovation Voucher Program helps small and medium-sized businesses become more productive and innovative while building stronger linkages between Nova Scotia businesses and our universities and colleges. Through these efforts, Innovacorp will help:

- Commercialize university and community college research.
- Accelerate company growth.

3. **Strive for Global Competitiveness, Trade, and Investment**

   Innovacorp's clients – early-stage, high potential technology companies – are export-driven. Not only do they intend to sell to the world, they strive to change the world, to attract risk capital from outside the region, and to access the expertise they need from wherever they can find it across the globe. As a result of these efforts, Innovacorp client companies will produce:

   - An increase in export revenue.

4. **Build Capacity in High Potential Clusters**

   Innovacorp is focused on helping start-ups in the information technology, life sciences, clean technology, and ocean technology sectors.

   In addition to the venture capital, incubation infrastructure, and targeted programs we provide directly, we partner with other organizations and individuals to ensure that our clients get the expertise, capital, and other resources they need to succeed in global markets.

   Innovacorp will:

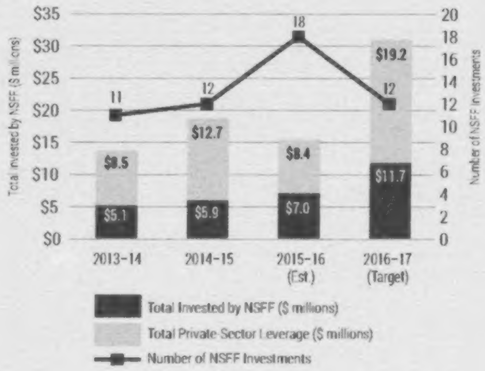
   - Partner to develop sector-focused innovation hubs for early-stage companies in high potential industry clusters.
   - Partner to create sector-focused funds targeting early-stage companies in high potential industry clusters.
   - Deliver sector-specific and entrepreneur-focused initiatives and partnerships.

Actions and Measures

Entrepreneurship and Start-ups

Start-ups need access to venture capital to launch and grow. Innovacorp is Nova Scotia's early-stage venture capital organization. We manage the Nova Scotia First Fund (NSFF), which targets emerging venture-grade technology companies with high growth potential and attractive risk-return prospects. In 2016–2017, Innovacorp targets making 8–12 investments in Nova Scotia start-ups, deploying $4–8 million of venture capital.

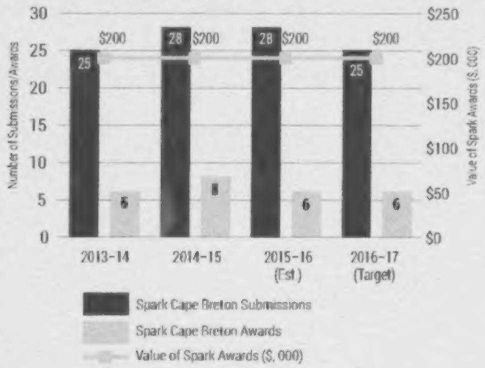
Nova Scotia First Fund Investments



Innovacorp co-invests with institutional, private sector, and angel investors from across Canada and beyond. We aim to leverage our NSFF investments with private sector capital based on a mix of 1:1 leverage in seed[1] investment rounds and 1:2 leverage in Series A[2] investment rounds.

While venture capital is at the core of Innovacorp's business model, we also deliver many programs, competitions, and events to encourage entrepreneurship and the creation of new start-ups across the province. For example, through our annual Spark Cape Breton innovation challenge, we look for the best early-stage technology companies in Cape Breton and the Mulgrave area. Winners receive funding and mentoring for the completion of prototypes or preparation to take their product or service to market. In 2016–2017, Innovacorp targets receiving 25 Spark Cape Breton submissions and making six awards totaling $200,000.

Spark Cape Breton

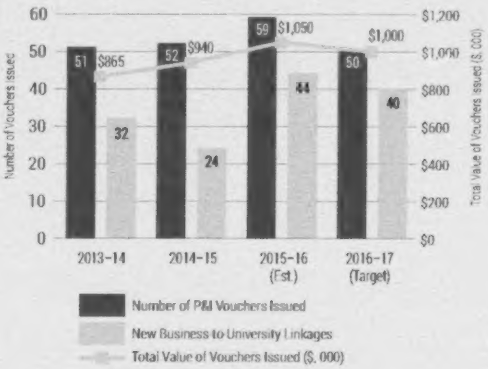


Support Innovation and Commercialization

Nova Scotia's universities and community colleges are remarkable research and innovation assets. Innovacorp strives to bring post-secondary research and innovation to market as well as to help the private sector connect with and benefit from the expertise and infrastructure at these institutions.

The Productivity and Innovation Voucher Program is an example of Innovacorp's work in this area. The program is a competition-based opportunity for small and medium-sized businesses to boost their innovation and productivity with expertise and services from the province's universities and colleges. In 2016–2017, Innovacorp targets issuing 50 vouchers with a total value of $1 million. This will also result in new linkages between business and Nova Scotia's universities and colleges.

Productivity and Innovation Voucher Program



Innovacorp also runs two cohorts of the Early Stage Commercialization Fund (ESCF) each year. The purpose of ESCF is to provide funding and go-to-market support for university and college research projects that demonstrate potential to advance a technology to a prototype or proof-of-concept stage and market readiness. In 2016–2017, Innovacorp targets supporting 15 ESCF projects and awarding a total of $500,000. The impact of ESCF will be measured by the number of licensing deals signed and the number of spin-out companies formed.

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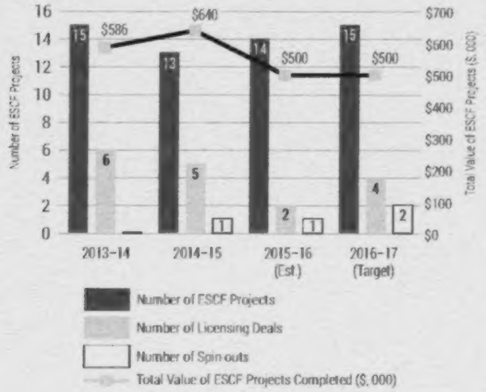
[1] Seed rounds are early-stage, high-risk investments that typically occur before the company is generating revenue.

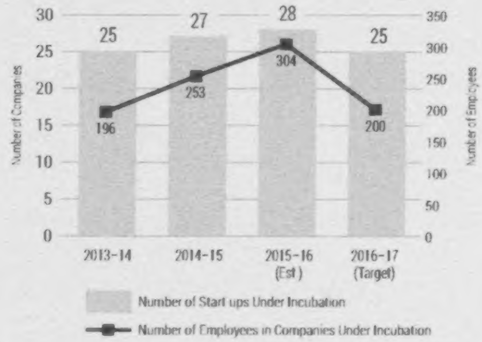
[2] Series A rounds are larger, post-seed investments that typically occur once the company has achieved key milestones and is generating early revenues.

Early Stage Commercialization Fund



Innovacorp manages three incubation sites: the Technology Innovation Centre in Dartmouth; the Innovacorp Enterprise Centre in Halifax; and the Innovacorp Demonstration Centre in Brooklyn. The three sites are premier destinations for early-stage technology companies. The facilities offer much more than just space and infrastructure. They offer an environment – a start-up community. They also provide on-site support, flexible leasing, and corporate credibility – things emerging companies need to reduce costs, grow stronger faster, and thereby increase their likelihood of success. In 2016–2017, Innovacorp targets providing incubation infrastructure and resources to 25 high potential Nova Scotia start-ups, which together will employ about 200 people.

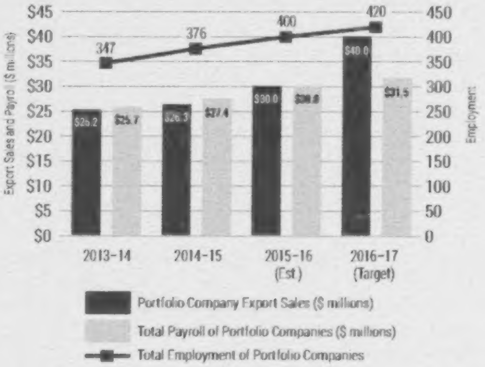
Incubation



Strive for Global Competitiveness, Trade, and Investment

From the companies we invest in, to those residing at our incubation facilities, to those participating in our many programs, competitions, and workshops, the vast majority of start-ups Innovacorp works with are export-driven. In fact, 100 per cent of the revenue-generating companies we invest in are selling their products and services outside Nova Scotia. In 2016–2017, Innovacorp intends to continue to have

Portfolio Company Export Sales, Employment, and Payroll



100 per cent of its revenue-generating investment portfolio companies exporting outside the province and targets a total of $40 million in export sales from those companies.

As our portfolio companies grow and achieve export market success, the number of highly skilled jobs and value of company payrolls also increase, resulting in a positive economic impact for Nova Scotia.

Build Capacity in High Potential Clusters

In 2016–2017, Innovacorp will help develop sector-focused innovation hubs that provide infrastructure and resources early-stage companies need to launch and grow. We will also help create sector-focused funds that leverage private capital and federal funding sources so high-potential start-ups in Nova Scotia's promising clusters have the capital they need to be successful.

As Nova Scotia's early-stage venture capital organization, we often encounter emerging companies that are approaching investment readiness but need help reaching that milestone. Innovacorp runs two initiatives to help high-potential clean technology and life sciences start-ups in Nova Scotia move closer to being investment ready. The CleanTech Pre-Investment (CPI) program and the Life Sciences Pre-Investment (LSPI) program offer companies up to $50,000 in non-repayable and non-dilutive[3] funding to address investment-readiness gaps. Eligible companies must secure matching funds from other sources. In 2016–2017, Innovacorp targets supporting five start-ups under each of the CPI and LSPI programs.

Innovacorp works with start-ups in a variety of technology sectors, and we build partnerships to enhance what we offer so our clients get the expertise, capital, and other resources they need to succeed in global markets. For example, we established a partnership with Bioenterprise Corporation, a Guelph-based business accelerator, to help commercialize Nova Scotia agricultural technologies. In 2016–2017, Innovacorp targets helping advance 10 start-ups through our partnership with Bioenterprise.

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[3] Non-dilutive sources of funding do not require the company to issue equity to the funder.

Financial Summary

Innovacorp is committed to achieving its financial targets. To this end, the organization works with the Province of Nova Scotia through the Department of Business to strategically leverage its assets in support of Government's Framework for Private Sector Growth.

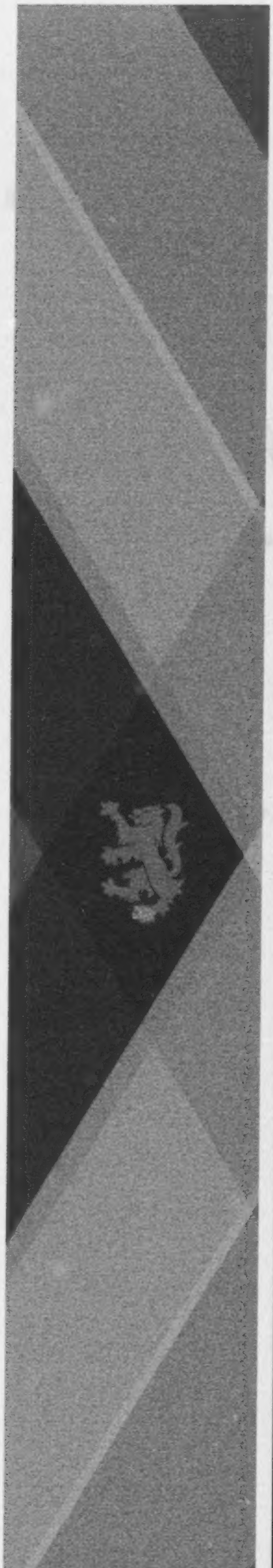
	Estimate 2015–16 ($)	Forecast 2015–16 ($)	Estimate 2016–17 ($)
Revenues			
Provincial funding	9,650,000	10,390,000	9,552,000
Funding recognized re capital assets acquired	118,000	118,000	115,000
Incubation	1,166,000	2,456,000	1,467,000
Investment	42,000	42,000	42,000
Total	**10,976,000**	**13,006,000**	**11,176,000**
Expenses			
Incubation	5,832,000	7,862,000	5,572,000
Investment	2,765,000	2,765,000	2,709,000
Corporate services	1,555,000	1,555,000	1,978,000
Total	**10,152,000**	**12,182,000**	**10,259,000**
EBITDA*			
Provincial funding	9,650,000	10,390,000	9,552,000
Funding recognized re capital assets acquired	118,000	118,000	115,000
Incubation	(4,666,000)	(5,406,000)	(4,105,000)
Investment	(2,723,000)	(2,723,000)	(2,667,000)
Corporate services	(1,555,000)	(1,555,000)	(1,978,000)
Total	**824,000**	**824,000**	**917,000**
Non-operating items			
NSFF total return	(218,000)	(1,778,000)	(343,000)
Post-retirement benefits and long-service award	(142,000)	(142,000)	(116,000)
Amortization	(368,000)	(368,000)	(377,000)
Interest Income (expense), dividends, and capital gains (losses)	(237,000)	(237,000)	(222,000)
Total	**(965,000)**	**(2,525,000)**	**(1,058,000)**
Deficit	**(141,000)**	**(1,701,000)**	**(141,000)**

* Earnings before interest, taxes, depreciation, and amortization.

Crown Corporation Business Plans

2016–2017

Nova Scotia Business Incorporated



NOVA SCOTIA

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Message from the Chair and the CEO

Nova Scotia Business Inc. (NSBI) is a business development agency for the Province of Nova Scotia, led by a private sector board of directors. In order to strengthen and grow the Nova Scotia economy, NSBI's primary efforts are focused on helping Nova Scotia businesses across the province grow exports through access to business advisory services, skill development and training, market intelligence, financing, and support in accessing global markets, and by attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

For NSBI, 2015–2016 was a year of realignment, restructure, renewed focus, and the initiation of a 10-year trajectory to deliver against the robust targets set out in the ONE NS report. NSBI's 2015–2016 business plan charted the course for a foundation-building year, one that developed detailed evidence-based plans and established transparent outcomes-focused metrics. With a foundation-building transition year recently completed, NSBI is poised for a future of export service delivery excellence and aggressive, targeted investment attraction efforts aimed at strengthening the province's high potential clusters of ICT, Oceans, and Seafood & Agrifood.

At NSBI, we believe in export as the path to sustainable economic growth for Nova Scotia. In 2016–2017, NSBI will drive efforts to focus and align resources to build export capacity within our client firms so they can thrive, and not just survive, in our ever-changing global economy. We stand behind the Government's Framework for Private Sector Growth and the action plan outlined by the ONE NS Coalition in the *We Choose Now* report. We know that we need to do more to create more first-time exporters, to better equip companies pursuing certification, and to bring new export markets within reach for companies within the province's high potential clusters. NSBI will build internal expertise around certifications required for market entry and develop robust online export resources to become a single delivery window for companies, offering improved availability and access to export resources across the province.

NSBI has created an aggressive, evidence-based business plan for 2016–2017 to deliver against the Government's Framework for Private Sector Growth, the ONE NS report, and the *We Choose Now* report, a business plan that will require the organization to maximize all resources to full efficiency and effectiveness. At NSBI, we will bring an evidence-based, targeted approach to improving global competitiveness and growing exports and investment in support of the province's high potential clusters. We look to the year ahead with renewed focus and enthusiasm and are excited to work with our clients and partners to build Nova Scotia's future economic prosperity.

Sincerely,

Janice Stairs
Chair of the Board, Nova Scotia Business Inc.

Laurel Broten
President and CEO, Nova Scotia Business Inc.

Mandate

Nova Scotia Business Inc. (NSBI), led by a private sector board of directors, is a business development agency for the province.

NSBI's mission is to help Nova Scotia businesses across the province grow exports through access to business advisory services, skill development and training to build trade capacity, market intelligence, financing, and support in accessing global markets, with a focus on developing new exporters and attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

Alignment with Government's Priorities

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable government.

Government goal: Create the climate for private sector and social enterprise economic growth to support ONE NS economic goals.

Government's Framework for Private Sector Growth is guiding the province's actions to create the climate for private sector and social enterprise growth to achieve the goals set out in the ONE NS report. NSBI's core mandate is directly related to the government's goals of driving the global competitiveness of Nova Scotia businesses and stimulating export growth, and increasing domestic, national, and international investment in Nova Scotia.

> *"... Nova Scotia has a small domestic market. For most businesses to grow significantly, whether goods producers or service providers, they have to access larger external markets through trade activities.*
>
> *... in a small economy, it is difficult to imagine how a lasting economic turnaround and renewal might be accomplished without a lot more businesses generating a lot more exports of goods and services than is currently the case."*[1]
>
> *"There is no question that the decline in international exports from Nova Scotia has played a role in the province's weak economic performance in recent years."*[2]

When it comes to increasing the total annual value of exports and expanding the number of Nova Scotia businesses exporting, to meet the goals established by the Nova Scotia Commission on Building Our New Economy, Nova Scotia must begin to climb to an export-positive position.

Nova Scotia must, and accordingly NSBI will, drive export as a first priority. NSBI will continue supporting businesses as they progress from being export curious to new exporters, and from new exporters to experienced exporters. NSBI will undertake a robust, evidence-based strategic approach to trade that maximizes opportunities for Nova Scotia companies with exportable

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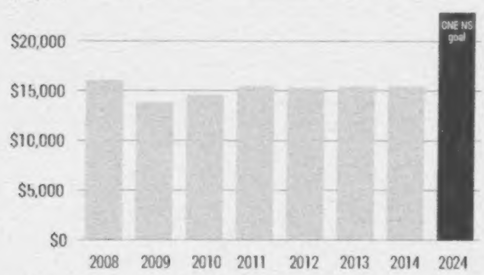
[1] Ray Ivany, Irene d'Entremont, Dan Christmas, Susanna Fuller, John Bragg, Jo Ann Fewer, Mark Austin, and Carolyn Terry. *Now or Never: An Urgent Call to Action for Nova Scotia*. Nova Scotia Commission on Building Our New Economy (2014), p. 31.

[2] David Campbell. "Fostering More Export-Based Entrepreneurs in Nova Scotia," in *Now or Never: An Urgent Call to Action for Nova Scotia*, 184–97. (2014), p.184.

Total Exports ($ millions)



Source: Statistics Canada, CANSIM Table 384-0038 for 2008-2014 data, 2024 ONE NS goal from ONE NS report

Note: Total Exports are interprovincial and international exports of both goods and services.

value-added products and services and delivers measurable results through focused efforts in markets with the greatest opportunity.

NSBI will attract foreign direct investment (FDI) and exporting companies best suited for success through a Nova Scotia location, attracting sustainable investment in high potential clusters across the province. NSBI will break down silos and create partnerships between Nova Scotia companies and FDI investors, opening up global value chain opportunities for Nova Scotia businesses. NSBI will also help Nova Scotia businesses access capital in order to increase their global competitiveness and drive growth.

NSBI will share and promote Nova Scotia's story at home and abroad. NSBI will work with its partners to build awareness, outside our borders, of high potential clusters in Nova Scotia and serve as Nova Scotia brand ambassadors in national and international markets. NSBI will also be a positive business voice, continuing to build on networks across the province, celebrating success and building confidence and capacity, positively impacting the business climate in the province.

The following are some of the key ways in which NSBI, along with partners, works with the private sector to support the priorities of the Government's Framework for Private Sector Growth:

1. **Strive for Global Competitiveness, Trade, and Investment**
    - Work with firms to increase the value of their exports.
    - Help companies across the province to become first-time exporters.
    - Increase the value of capital investment and actual payroll reported by NSBI clients.
2. **Build Capacity in High Potential Clusters**
    - Help companies in high potential clusters expand into key markets
    - Market and promote Nova Scotia's high potential clusters in targeted markets
3. **Improve the Business Confidence**
    - Improve the business climate confidence among NSBI clients.

Actions

The following are some of the key actions that NSBI, along with partners, will undertake to support the priorities of the government and the Government's Framework for Private Sector Growth:

Strive for Global Competitiveness, Trade and Investment

- Develop and implement a robust, targeted export development strategy and delivery model to focus, align, and strengthen internal and online resources, ensuring best-in-class programs and services through a coordinated, one-window service delivery structure:

  - Focus NSBI's programs, tools, services, and in-market activity on three broad target groups: the export curious, new exporters, and experienced traders. NSBI will focus on capacity building, supplier development, and market development to become the go-to partner for export support, working with partners to provide a suite of services and referrals to help businesses navigate the world of international trade instead of navigating government's trade services.
  - Working with partners, provide companies across the province with market-entry intelligence, including certification and regulation support, training, and business advisory services in support of building trade capacity.
  - Expand and organize targeted inbound trade missions to connect Nova Scotia businesses in high potential clusters (ICT, Oceans, and Seafood & Agrifood) with lower-cost opportunities to create and deepen global connections.
  - Facilitate mentorship and collaboration among experienced and emerging exporters across the province through organizing roundtables, creating best-practice sharing opportunities, and leveraging the ConnectNS network.
- Administer the Nova Scotia Film & TV Production Incentive Fund through collaboration with industry and partners.
- Collaborate with the Nova Scotia Department of Fisheries and Aquaculture, federal partners, other Atlantic provinces, and industry associations to develop strategies for priority markets in the European Union, Asia, and the United States, positioning Atlantic Canada as a supplier of premium and sustainable seafood products.
- With a primary focus on Nova Scotia's high potential clusters (ICT, Oceans, and Seafood & Agrifood), identify and attract innovative foreign exporting companies with a competitive advantage to be gained from locating in Nova Scotia.
- Working with partners, build relationships with ICT incubators/accelerators in other jurisdictions. Through the promotion of Nova Scotia's skilled workforce, attract innovative ICT start-ups to locate here and grow.
- Through evidence-based research, identify companies considering ICT related acquisitions, identify potential Nova Scotian targets, and develop and implement a plan to support acquisitions.

Build Capacity in High Potential Clusters

- Maximize existing assets to help experienced exporters in high potential clusters (ICT, Oceans, and Seafood & Agrifood) to expand into key markets through robust market intelligence, results-driven inbound trade missions, and in-market advocacy.
- Working with the Department of Business, Invest Nova Scotia, and partners, develop and implement cluster development strategies in support of innovative activities within Nova Scotia's high potential clusters (ICT, Oceans, and Seafood & Agrifood).
- Working with partners across the province, further crystallize and tailor Nova Scotia's value proposition, highlighting our competitive advantages to capitalize on opportunities within key target markets (i.e., China, Europe), with a specific emphasis on the province's high potential clusters (ICT, Oceans, and Seafood & Agrifood).

- Develop and implement a cost-efficient marketing and communications plan to build awareness of Nova Scotia as an attractive jurisdiction in targeted key markets that recognizes and promotes the unique assets within high potential clusters (ICT, Oceans, and Seafood & Agrifood) and communities across the province.
- Implement an engagement strategy to deepen and strengthen NSBI's international relationships with embassies, consulates, and trade commissioners in target markets.
- Working with the Department of Labour and Advanced Education, the Nova Scotia Office of Immigration, and partners, develop and implement a robust workforce attraction strategy and plan to attract talent from across Canada in support of Nova Scotia's high potential clusters (ICT, Oceans, and Seafood & Agrifood).

Improve the Business Confidence

- Improve the business confidence among NSBI's clients by delivering business advisory and navigation services across the province, enabling businesses to easily connect with expertise, programs, and resources that support their export growth and competitiveness.
- Embrace and demonstrate a culture of thinking export first, promoting and celebrating Nova Scotia's business stories and export success across the province.

Core Responsibilities

Government outcome: The delivery of core services by the government to Nova Scotians is effective and efficient.

NSBI is responsible for the oversight, management and administration of the province's legacy Jobs Fund investment portfolio.

Action

- Through daily interaction with Jobs Fund clients, ensure service excellence while effectively navigating complex financial circumstances.

Outcomes and Performance Measures

NSBI instituted a client survey in fiscal 2015–2016 to measure its efforts through the results achieved by its private sector clients. The survey collects metrics from NSBI's clients, focusing on three key areas:

1. Trade
2. Investment/payroll
3. Nova Scotia's business climate

A client survey is conducted early in the fiscal year to establish benchmarks in each of these three areas. As a means of measuring NSBI's impact on the success and growth of our private sector clients, NSBI conducts a follow-up client survey in February/March of the fiscal year to measure client progress with respect to trade growth, investment in Nova Scotia, and perceptions of the business climate in the province.

As 2015–2016 was the first year of the client survey to measure NSBI's efforts, trending data from past years is not available; however, results from the first year of the client survey will be available in April of 2016.

Strive for Global Competitiveness, Trade, and Investment

Outcome: Growth in the value of exports and number of companies exporting and investing in Nova Scotia.

NSBI's efforts in working with companies across Nova Scotia to improve global competitiveness and grow trade and investment will help support the achievement of this outcome. NSBI has developed measures of the number of NSBI clients reporting their first-ever export sale; the annual increase in NSBI client-reported actual export sales; actual payroll in 2016–2017 generated by NSBI clients; amount of capital investment in Nova Scotia by NSBI clients; and the number of NSBI FDI clients establishing a business operation in Nova Scotia.

NSBI will target working with a minimum of 15 companies across Nova Scotia to become first-time exporters in 2016–2017, a 5 per cent increase in actual export sales among NSBI's clients, a 10 per cent increase in payroll generated by NSBI clients, a 5 per cent increase in capital investment by NSBI clients, and a 10 per cent increase in the number of NSBI FDI clients establishing a business operation in Nova Scotia, with an increased focus on the province's high potential clusters.

Build Capacity in High Potential Clusters

Outcome: Growth in the value of exports and number of companies exporting and investing in Nova Scotia, within the high potential clusters of ICT, Oceans, and Seafood & Agrifood.

NSBI will work with clients in the ICT, Oceans, and Seafood & Agrifood clusters to achieve this outcome. NSBI has developed the following measures for this outcome: the number of NSBI clients within ICT, Oceans, and Seafood & Agrifood reporting their first-ever export sale; the annual increase in NSBI client-reported actual export sales of clients within ICT, Oceans, and Seafood & Agrifood; actual payroll in 2016–2017 generated by NSBI clients in ICT, Oceans, and Seafood & Agrifood; amount of capital investment in Nova Scotia by NSBI clients in ICT, Oceans, and Seafood & Agrifood; and the number of NSBI FDI clients establishing a business operation in Nova Scotia from the ICT, Oceans, and Seafood & Agrifood sectors.

NSBI will target for a minimum of 10 of the 15 first-time exporters in 2016–2017 to be from within the high potential clusters of ICT, Oceans, and Seafood & Agrifood, a 5 per cent increase in actual export sales, a 10 per cent increase in payroll, a 5 per cent increase in capital investment, and a 10 per cent increase in the number of NSBI FDI clients establishing a business operation in Nova Scotia within these high potential clusters.

Improve the Business Confidence

Improve the business-climate confidence among NSBI clients.

NSBI's efforts to improve the business confidence among its clients will be measured through the Business Climate Confidence index of NSBI's client survey. NSBI will target a 10 per cent improvement in the Business Climate Confidence index among its clients in 2016–2017.

Financial Summary

	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Revenue			
Provincial Grant	26,239,000	25,883,000	37,733,000
Gain on Sale of Properties	–	313,000	–
NS Business Fund Revenue: Loans and Equity, Real Properties	3,091,000	2,863,000	2,056,000
Miscellaneous Revenue	2,530,000	1,081,000	2,009,000
Total	**31,860,000**	**30,140,000**	**41,798,000**
Expenses			
Operating Expenses	16,571,000	15,862,000	15,890,000
Strategic Investment Fund	11,482,000	10,286,000	12,282,000
Nova Scotia Film & TV Production Incentive Fund*	–	–	10,000,000
Provision for Credit Losses	716,000	716,000	1,643,000
NS Business Fund Expenses: Loans and Equity, Real Properties	3,844,000	4,390,000	1,705,000
Total	**32,613,000**	**31,254,000**	**41,520,000**
Surplus (Deficit)	**(753,000)**	**(1,114,000)**	**278,000**
Depreciation	44,000	54,000	50,000
Surplus (deficit) after depreciation	**(797,000)**	**(1,168,000)**	**228,000**

* The Nova Scotia Film & TV Production Incentive Fund was created effective July 2015. Although applications have been approved, certain criteria must be met prior to the disbursement of funds. No funds have been disbursed to be recorded in the 2015–2016 forecast. The 2016–2017 Budget provides $10 million for disbursement in the 2016–2017 fiscal year.

Crown Corporation Business Plans
2016–2017

Crop and Livestock Insurance Commission

NOVA SCOTIA

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Message from the Minister, the Chair, and the CEO

We are pleased to present the Crop and Livestock Insurance Commission's business plan for 2016–2017. The plan outlines the commission's continued commitment to offer Nova Scotia's primary agricultural producers insurance against production losses.

Farming continues to be a critical contributor to the health of rural communities and has a tremendous impact on the provincial economy as a whole. Connected so closely to our environment, and impacted by the unpredictable nature of weather patterns, farmers manage a great deal of risk as they work hard to produce important crops like wild blueberries, apples, and soy beans and develop new crop varieties that respond to evolving consumer tastes here at home and abroad. The commission plays an important role in helping producers manage risk through its 15 insurance plans, and that reflects the provincial government's commitment to working with farmers to protect and grow one of most critical primary industries.

The commission continues to expand its product line, offering increased benefits and more insurance options. These products are developed and tested in Nova Scotia for the province's unique agricultural mix and business needs. That ensures that the needs of farmers are always our first priority and that we are evolving our plans to meet the challenges they are facing as climate change becomes an increasing reality for the industry.

Helping farmers to succeed and manage risk supports the provincial government's efforts to enable economic growth for agriculture, enhance access to markets, promote innovation, and add value to the products grown here in our province. A successful agriculture industry means Nova Scotia is better able to compete and succeed in the global economy. The commission will continue to work with farmers to advance that priority.

The Honourable Keith Colwell, E.C.N.S
Minister, Department of Agriculture

Mr. Avard Bentley
Chair

Mr. Bill MacLeod, P.Ag.
CEO

Mission

The mission of the Crop and Livestock Insurance Commission is to provide Nova Scotia farm managers with insurance products with which they can manage the financial risk associated with reduced crop yields or animal production losses due to insurable perils.

Alignment with Government's Priorities

The Province of Nova Scotia has identified the support of its people, innovation/economic development, and education in a fiscally responsible manner as its key priorities. The strategic themes of the Department of Agriculture supporting these priorities including enabling responsible economic growth, support for research and innovation, building public trust and market acceptance, increasing trade and market access, and encouraging value-added opportunities. The Nova Scotia Crop and Livestock Insurance Commission supports these priorities and strategic themes by providing agricultural entrepreneurs with the opportunity, in a fiscally responsible manner, to transfer some of the risk of financial loss caused by crop or production failures. The commission supports a climate that fosters private sector economic growth through its crop- and livestock-based insurance programs, encouraging good jobs and economic growth in the provinces rural communities. Through fiscally sustainable, cost-shared programs, the commission provides farmers with the opportunity to transfer the risk of production failure due to natural causes. This supports and encourages further on-farm development such as expanded value-added opportunities and the ability to access export markets, and exploration of increased research and innovation capacity in rural agricultural communities.

Planning Context

The Nova Scotia Crop Insurance Commission was established in 1968 to provide Nova Scotia farmers the opportunity to manage the risk of production failure. The Nova Scotia Crop Insurance Act was amended in 1978 to provide for the administration of the Livestock Insurance Program and is now cited as the Nova Scotia Crop and Livestock Insurance Act.

The commission reports to the Minister of Agriculture and is a key component of the business risk management services that the department offers to the industry under the AgriInsurance platform. It administers 15 crop insurance plans, a dairy livestock insurance plan, and a poultry insurance plan. The commission also administers a Wildlife Compensation Program under the AgriInsurance platform, which, while not an insurance-based program, compensates farmers for losses as a result of uncontrollable wildlife. Cost sharing of AgriInsurance (also known as Production Insurance and Crop Insurance) in Nova Scotia is governed by *Growing Forward 2*, a federal-provincial-territorial framework agreement on agriculture, agri-food and agri-based products policy. This agreement outlines cost sharing arrangements and administrative requirements that govern the design and delivery of AgriInsurance programs. By design, AgriInsurance is required to be a fiscally self-sustaining partnership, with cost sharing by producers and both the federal and provincial governments.

Federal and provincial policy direction has encouraged the expansion and strengthening of the role of the AgriInsurance programs to offer more coverage to commercially grown crops and livestock species. In this context the commission is continuing to develop insurance products for crops and livestock that have not traditionally been covered under AgriInsurance in Nova Scotia.

Administratively, the commission continues to review its staffing needs and its succession planning strategy, which recognizes anticipated retirements in the next one to five years. The commission operates with a relatively small staff , and the ability to maintain and refill positions directly affects the delivery of the commission's programs. The commission will continue to review staff training and development needs during the coming year.

Since 2005, the commission has recognized the need to improve its service delivery and, in particular, to modernize its information management capabilities. While progress has been slow and has suffered from a number of setbacks, this work has been identified as a critical need for the effective delivery of the commission's programs and services. A renewed emphasis on the redesign of the commission's IT infrastructure has recently resulted in significant improvements. This work will continue over the next two to three years, using internal resources and a phased approach to modernize these systems. As noted above, continued access to a dedicated IT staff resource is critical to the success of this initiative.

Strategic Goals

To stabilize agricultural business incomes through the provision of fiscally responsible and sustainable insurance products to support the economic growth of the province.

A competitive sustainable and profitable farm industry proactively managing risk through income-stabilizing insurance-based programs.

A modern, highly responsive, efficient, reliable, and secure service delivery system.

Core Business Area

The core business of the Nova Scotia Crop and Livestock Insurance Commission is the delivery of insurance products for production agriculture. Its business is conducted pursuant to federal and provincial regulations and in accordance with the Business Risk Management chapter (Part III Annex B) of *Growing Forward 2*.

Priorities for 2016–2017

A key priority of the commission is to increase the insurance coverage it offers to Nova Scotia agricultural production. The value of coverage is actively managed by increasing the number of clients using AgriInsurance, or by increasing the number of products offered and the range of options available to clients. In support of a competitive business climate that stabilizes farm incomes and encourages economic growth and increases jobs in Nova Scotia's rural and coastal communities, the commission will pursue increased program participation through the following.

1. Program Expansion/Enhancements

The commission will

a. continue to consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans (e.g., expand Dairy Livestock Plan to include insurance for clients without dairy quota, revise the Weather Derivative Plan to a continuous contract)

b. work with industry stakeholders on the development of new insurance programs in sectors such as grapes (development work on a grapevine plan)

c. undertake a review of its act and regulations, continue to update the form and content of its current dairy regulation, and recommend revision to the Arbitration Proceedings Regulation

d. introduce a new, non-yield-based acreage loss program for vegetables to provide an innovative option to conventional yield-based insurance plans

e. continue to work with stakeholder groups to review the effectiveness of its Wildlife Compensation Program

2. Administrative Priorities

a. Over the next two years, using a phased approach, the commission will continue to modernize its information technology infrastructure to achieve a more accurate, reliable, secure, and efficient data handling system.

b. The commission will continue to promote AgriInsurance as a key business management option for agricultural producers in Nova Scotia.

Finance

The commission budget is included in the budget estimates of the Department of Agriculture. The Implementation Agreement under *Growing Forward 2* provides for reimbursement of 60 per cent of the administrative costs relative to AgriInsurance and Wildlife Compensation. Insurance premiums are cost shared by farmers (40%), the federal government (36%), and the provincial government (24%), and are administered directly by the commission. Only provincial premium contributions are included in Department of Agriculture budget figures.

Outcome and Performance Measures

Business Risk Management (BRM) programs such as AgriInsurance were created and are designed to provide income stability to farm businesses. The following measures focus on the level of participation of the industry in this program. The last National BRM Survey (2010) found that 97 per cent of respondents felt AgriInsurance was effective in mitigating financial impacts of production losses. A 2014 survey of crop insurance clients in Nova Scotia found that 87 per cent of respondents felt crop insurance was an effective tool to stabilize farm income resulting from production losses

Note: The base year 2008–2009 represents the start of the Growing Forward agreement, which ended in 2012–2013 and was replaced by *Growing Forward 2*. The ultimate target (2017–2018) marks the end of the Growing Forward 2 agreement.

Budget Context

Estimate of Income and Fund Balances

	Authority 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Budget 2016–17 ($ 000)
Revenues			
Insurance premiums paid by clients	823	800	823
Insurance premiums contributed by government (federal)	736	673	736
Wildlife compensation payments (federal)	150	105	150
Insurance premiums contributed by government (provincial)	491	449	491
Wildlife compensation payments (provincial)	100	70	100
Interest income	70	70	70
Total revenues	**2,370**	**2,167**	**2,370**
Expenses			
Indemnity claims	1,900	1,360	1,900
Wildlife compensation payments	250	175	250
Reinsurance premiums	0	0	0
Bad-debt expense	5	5	5
Total expenses	**2,155**	**1,540**	**2,155**
Net income from insurance activities	**215**	**627**	**215**
Crop and Livestock Insurance Fund balance			
Beginning of year	4,241	4,241	4,868
End of year	4,456	4,868	5,083
Administrative expenses			
Government contributions (Canada)	629	624	638
Government contributions (Nova Scotia)	456	456	466
Total administrative expenses	**1,085**	**1,080**	**1,104**
Net government expenditure			
Canada (premium + administration)	1,515	1,402	1,524
Nova Scotia (premium + administration)	1,047	975	1,057
Total program expenditure	**2,562**	**2,377**	**2,581**

Outcomes and Performance Measures

Core Business Area *Delivery of insurance products for production agriculture*

Outcome	Measure	Data Base Year 2008–09	Target 2016–17	Ultimate Target 2017–18	Trends	Strategies to Achieve Target
Increased income stability of farm businesses	Number of AgriInsurance contracts	700	850	900	2010–11: 745 2011–12: 659 2012–13: 674 2013–14: 737 2014–15: 832	Improve program effectiveness and flexibility through introduction of new insurance plans and promotion of insurance plans to attract new clients.
	$ value of coverage (M = $ millions)	$127.8 M	$170 M	$180 M	2010–11: $140.8 M 2011–12: $141.2 M 2012–13: $177.6 M 2013–14: $161.4 M 2014–15: $168.2 M	Introduce new insurance programs; expand existing plans.
	Number of AgriInsurance products available	36	50	55	2010–11: 38 2011–12: 41 2012–13: 47 2013–14: 47 2014–15: 47	Introduce new plans.
	Value of compensation paid for wildlife damage ($) (includes federal and provincial compensation paid to producers for damage from wildlife)	$110,000	$200,000	$250,000	2010–11: $201,000 2011–12: $183,000 2012–13: $82,000 2013–14: $77,381 2014–15: $169,484	Continue to promote this program.

Core Business Area *Delivery of insurance products for production agriculture*

Outcome	Measure	Data Base Year 2008–09	Target 2016–17	Ultimate Target 2017–18	Trends	Strategies to Achieve Target
	Ratio of insured production to total value of all products eligible for insurance in NS (excludes livestock) (measures the uptake by producers of the programs offered by AgriInsurance)	25.25%	30%	50%	2010–11: 30.41% 2011–12: 23.44% 2012–13: 23.11% 2013–14: 15.22% 2014–15: n/a	Continue to promote the program improvements to existing plans.
	Ratio of agricultural products eligible for insurance to value of all agricultural products in NS (excludes livestock) (measures the portion of Nova Scotia's Agricultural Industry that is being offered AgriInsurance coverage)	57.78%	60%	75%	2010–11: 44.31% 2011–12: 60.64% 2012–13: 57.17% 2013–14: 80.75% 2014–15: n/a	Develop new plans; improve existing plans.

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Nova Scotia Farm Loan Board

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Message from the Minister and the Board Chair

We are pleased to present the Nova Scotia Farm Loan Board business plan for 2016–2017. The plan outlines the board's goals and priorities for the coming year in line with its mission and mandate.

The primary focus of the board continues to be the provision of agricultural financing and of credit counselling in order to advance, encourage, and support the development of agricultural and timber businesses in Nova Scotia. With $200 million invested in the sector, the board plays a critical role in ensuring that stable, affordable financing is available to agricultural businesses in Nova Scotia. That is an important ingredient for growth to take place and reflects the commitment of government to see our agriculture industry be successful.

Agriculture is at the heart of building sustainable communities in Nova Scotia. It provides jobs and economic opportunities for the current generation of Nova Scotians and a chance for success for a new generation who can build lives for themselves right here at home. Ensuring a supply of fresh, locally grown and produced food, agriculture is also key to a healthy lifestyle for Nova Scotians and helps to protect our environment with the development of more sustainable growing practices. The board and the provincial government are proud to work together with farmers to help deliver a bright future for Nova Scotia's agricultural sector.

The work of the board mirrors the priorities of government and the agriculture sector to promote economic growth, enable research and innovation, enhance market growth and access, and add value to the products grown by Nova Scotia farmers. To do that, the board remains focused on enhancing service to its clients, developing new loan products that respond to the evolving needs of the sector, and actively communicating its products and services to the agriculture industry.

The ONE Nova Scotia Coalition's playbook recognized that a successful agriculture industry plays a critical role in ensuring Nova Scotia is able to complete and succeed in the global marketplace. The Nova Scotia Farm Loan Board continues to play a vital role in creating the conditions for that success to happen.

The Honourable Keith Colwell, E.C.N.S.
Minister, Department of Agriculture

Arnold Park, Chair
Farm Loan Board

Mission

The Nova Scotia Farm Loan Board supports the development of agriculture and agri-rural business in Nova Scotia through responsible lending.

Vision

The Nova Scotia Farm Loan Board is a leader in agricultural lending, creating opportunities in rural Nova Scotia.

Mandate

The mandate of the Nova Scotia Farm Loan Board (NSFLB) is to support the agricultural industry through the provision of capital financing. The NSFLB operates as a Crown corporation under the authority of the Agriculture and Rural Credit Act, most recently amended in December 2011. This act provides authority, in part, to the board to make loans to, or guarantee loans of, a borrower for the purpose of acquiring or improving any farm asset, including livestock. Regulations made under section 8 of the act govern the terms and conditions of capital provided by the NSFLB.

The NSFLB also serves the forest industry, as the Timber Loan Board. The Timber Loan Board's authority is provided by the Forest Act, in section 20 Chapter 179. The Forest Act provides for credit to acquire forested land for forest product mills. Regulations of the Timber Loan Board, which govern terms and conditions of credit provided, are made under the Forest Act subsection 20(4) and differ significantly from the farm regulations.

Capital can be acquired for both short- and long-term developments, utilizing fixed-rate loans. Term loans of 3, 5, and 10 years, with fixed rates of interest for the term period, are available for short to medium-length developments. Long-term financing with a maximum of a 30-year amortization and an accompanying 30-year fixed rate of interest are available for qualifying farm mortgages. Timber loans are limited to a 20-year amortization.

Past–Present–Future

The NSFLB, formerly the Land Settlement Board, has been active since 1932. The board is an agricultural development agency, acting to build a financially stable and sustainable agricultural base in Nova Scotia. It supports agriculture and rural business development by providing short-, medium-, and long-term capital with competitive fixed rates of interest. The board has developed several products designed to serve specific lending needs. These include the Classic Farm Mortgage, Quota loans, Debt Consolidator loans, Capital Injections loans (for working capital), a Fast Tracktor (preapproved equipment finance), Deferred Product Options (primarily for orchard/grape establishment), and a Jump Start program (for new entrant farmers).

The board staff are primarily trained in agriculture and know the product commodities sectors of Nova Scotia agriculture well. Many have agribusiness training and are well equipped to understand the inner workings of farm finance. The staff of the NSFLB are committed to the industry and are interested in serving their client base effectively, with the right product at the right time. The board staff are part of the larger

Department of Agriculture and can access many additional resources.

The NSFLB staff report directly to the Director of Crown Agencies, in the dual role as CEO of the NSFLB. The Director of Crown Agencies reports to the Deputy Minister of Agriculture and is also responsible to the Minister of Agriculture. (Special note: The Minister of Agriculture is currently also the Minister of Fisheries, and the Deputy Minister of Agriculture is also the Deputy Minister of Fisheries.) The Director of Crown Agencies is responsible for the operations of the Nova Scotia Farm Loan Board and the Nova Scotia Fisheries and Aquaculture Loan Board. The Nova Scotia Fisheries and Aquaculture Loan Board has its own CEO. The Director of Crown Agencies monitors the activities of this lending agency through its CEO.

The position of Director of Crown Agencies was established in 2012 to work co-operatively with the two departmental lending agencies and their respective boards of directors. This has resulted in a great deal of harmonization between the two boards' staff at the management level. While this harmonization is a work in progress to date, several senior positions now cover both boards, including the Director of Crown Agencies, Credit Manager, Senior Risk Manager, and Manager of Finance. In the near future the Director plans to have a Special Credit Senior Loans Officer covering both boards and a new Senior Loans Officer hired to be responsible for further-processing lending for both boards. This position will also include aquaculture lending, as it is as complex and as difficult as further-processing lending.

Portfolio Management

The developmental nature of the NSFLB means that in practical terms the board is willing to take on more credit risk than a traditional bank. The result of this is that the board carries larger arrears than would be acceptable to a mainstream institutional lending organization such as a Tier 1 bank. In order to better manage this risk and provide greater certainty around collection, more emphasis has been placed on credit assessment, risk assessment, and special credit roles.

The role of the Finance Manager is to maintain the integrity of the accounting as it relates to the entire loan portfolio. This broad definition includes loan bookings & disbursements, posting of payments, receipting of payments and maintaining accurate balance records, tracking of term maturities and renewals, tracking of repayment policy as it relates to five-year intervals, accounting of the annual payback policy, changes in interest rates as the provincial borrowing rates change, development of an accurate provision for arrears accounts, and working with the external auditors to develop annual financial statements. To cover all these responsibilities, and those not specifically referenced, the Finance Manager has a staff with strong skill sets in accounting procedures.

The role of Credit Manager is critical to supervision of solid lending practices carried out by the Loans Officers. The role of the Credit Manager is to help a Loans Officer structure an effective application. The Credit Manager must ensure that the deal is good for both the client and the board. The Credit Manager will typically be looking for potential policy breaches, especially as they relate to applicable interest rates and to security required to provide a backdoor exit for the board in the event of default. The position requires the ability to coach and mentor less-experienced Loans Officers in good lending practices.

The role of Senior Risk Manager is to provide adjudication to assess the risk presented with a given credit application. The Risk Manager may assign conditions under which a loan will be made to better protect the investment. Authorization limits at the Loan Officer and Senior Loan Officer level have been removed, and authorization limits are restricted to the board's CEO, Credit Manager, and Senior Risk Manager. All three senior staff manager have to sign off on a loan prior to disbursement.

The role of the special credit position will provide focused special credit activities with the objective of either re-establishing the farm business to a regular repayment regime or coming to an agreeable solution to the arrears problems that works for all parties concerned. The role of special credit is to actively manage the arrears portion of the loan portfolio so that the board is protected from unwarranted losses to as great an extent as possible.

Alignment with the Provincial Economy

The NSFLB forms a critical link in the capitalization of rural Nova Scotia businesses. The investment of some $200 million in Nova Scotia farms and farm processing is no small commitment on the part of the province. This capital is used to buy farm land, construct farm buildings, plant new crop varieties, make animal genetic improvements, purchase new efficient equipment, adopt new agricultural technology, purchase marketing quotas, and provide working capital.

These investments make Nova Scotia a better place to farm, and a more productive place to farm, and help provide more local food for Nova Scotians. These investments support a great deal of related industries, including building and material suppliers, building contractors, and equipment dealers, and they provide a very significant spinoff impact through the entire Nova Scotia economy.

The Department of Agriculture has five strategic themes:

Enabling responsible economic growth: As discussed above, the NSFLB has a positive and significant impact on the rural economy of Nova Scotia. NSFLB staff and board directors are very aware of the responsibility they have as stewards of this provincial investment. When it makes good business sense, the NSFLB will partner with other lenders to allocate risk and complete a deal. Portfolio management is critical and is top of mind.

Supporting research and innovation: The NSFLB supports innovative farmers in their quest to develop new crops and processes and in the adoption of new technology.

Building public trust and market acceptance: The NSFLB disburses approximately $30 million annually. These funds are used to improve food production, to improve processes, and in general to improve the quality of food that consumers in Nova Scotia buy each day of the year, regardless of the season. Much of this money is used to construct and improve storage facilities to maintain or enhance the quality of the food produced. Investments in improved genetic quality for breeding stock also provide greater market acceptance for a diverse line of products, including cattle, mink, and horticultural products. In this manner, farmers are aided in their goal to gain both public trust and market acceptance for their products.

Increasing trade and market access: While the majority of Nova Scotia fresh produce is sold in province, a large and growing sector in apples, blueberries (both wild and highbush), and certain cole crops, such as kale, is making significant inroads in cross-border sales to the U.S.A. and Europe. As an example, 75 per cent of the Honeycrisp apples (a relative new variety that grows especially well in Nova Scotia's climate) are sold in the U.S.A. Many of the Honeycrisp variety orchards now in production were planted with support of the NSFLB, using our deferred payment option. The entire mink pelt crop is sold out of province, with a large proportion in China and Russia.

Encouraging value-added opportunities: The concept of value-adding is a mechanism to escape the commodity markets where margins are very minimal. Some level of value-adding can make the difference between profit and loss. An exciting opportunity in Nova Scotia is the development of the wine industry. While grape production can result in profit, wine production can be more profitable. The capital investment required to make the leap from primary grape production to wine production is staggering and not for the faint of heart. The NSFLB has participated in this journey with a number of growers with strong business plans. As well, the NSFLB has recently invested in an organic malt operation that will support the boutique beer industry. Risks are higher in the value-added transition, but so are the rewards for the skilled managers who can navigate the process. The board will continue to offer financial support to clients when taking on value-added opportunities with good business potential.

Budget Context

Nova Scotia Farm Loan Board Operational Income Statement

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenue			
Interest	7,400	6,500	6,800
Life Insurance revenue (1)	20	22	20
Fee revenue / recoveries	210	337	211
Total revenue	7,630	6,859	7,031
Expenses			
Interest	5,500	5,028	5,100
Operating expenses	1,612	1,514	1,697
Bad-debt expense	253	2,151	253
Total expenses	7,365	8,693	7,050
Net income (loss)	**265**	**(1,834)**	**(19)**
Transferred to the province	(265)	1,834	19
Remaining	0	0	0

Notes:

See year-end annual reports for complete financial information and notes (https://novascotia.ca/farmloan/corporate/).

Interest expense is established under terms of a Memorandum of Understanding arranged with the Department of Finance.

See notes for the following Capital Funds table.

Capital Funds

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Opening principal	**185,748**	**180,876**	**185,600**
Add loan advances	35,000	27,000	35,000
Less repayments	(23,000)	(21,000)	(23,000)
Less principal written off	(3,000)	(1,276)	(3,000)
Closing principal	**194,748**	**185,600**	**194,600**
Provision for impaired accounts			
Opening provision	8,802	9,914	12,144
Less accounts written off	(1,000)	(1,276)	(1,000)
Additions (principal portion of bad-debt expense +/− adjustments)	500	*3,506	500
Closing allowance	8,302	12,144	11,644
Net portfolio at year-end	**186,446**	**173,456**	**182,956**

* Includes principal portion of bad-debt expense + suspended interest in excess of interest receivable.

Notes:

The board funds loans by arranging financing through the Department of Finance for terms similar to loans issued on a quarterly basis.

Accounting adjustments are subject to the approval of the Department of Agriculture. The board is assigned budgetary authority through the department and is required to conform the forecast and estimate authority to the amount assigned. Authority assigned for fees, operations, and bad-debt expense is based on funding availability.

Significant portions of the board's expenses, especially bad-debt expense, are variable, somewhat unpredictable, and beyond short-term control.

Total staff (FTEs)	17.3	18.3	18.3

Staff complement has increased by 1 financial services officer. The Fisheries and Aquaculture Loan Board is co-located with the Farm Loan Board in Truro. During the 2015–16 year, the Farm Loan Board accounting section took over Fisheries Loan Board accounting work formerly provided by two staff and a director of the Department of Finance located in Halifax. As a result, one position was transferred to the Farm Loan Board in Truro.

Outcomes and Performance Measures

Core Business Area *Lending*

Outcome	Measure and Rationale	Base Year Data	Targets	Trends	Strategies to Achieve Target
Growth in the rural economy	Total new funds advanced during the year (M = $ millions) (as a measure of new economic activity)	2012: $21.1 M	2015–16: $30 M 2016–17: $30 M	2011–12: 21.1 2012–13: 26.4 2013–14: 31.1 2014–15: 25.5 2015–16: 27.0 (forecast)	Continue to provide loan financing to clients who have a reasonable likelihood of success. Continue to develop additional loan products to meet client needs, including clients with lower inherent risk and less likelihood of loss. Ensure that lending information is readily available to those seeking credit, through the website, publicity, and participation in producer meetings as well as directly through the loan officers.
Increase in stable successful clients	Total arrears as percentage of value of all accounts (as an indication of client strength)	2006–07: 3.7%	2015–16: 4.3% or less 2016–17: 3.0% or less	2011–12: 4.9% 2012–13: 4.4% 2013–14: 4.3% 2014–15: 5.2% 2015–16: 2.9% (forecast)	The special credit section will continue working with clients in arrears or experiencing difficulty to achieve the best chance of success in the long term (see arrears strategies above). Monitor account status, contacting clients in arrears and referring them to industry resources where appropriate. Maintain contact, and work with client, and work out arrangements for payment. Include larger arrears accounts in annual review process. Strengthen new-loan approval review, using the Risk Manager position.

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We are pleased to present the Nova Scotia Fisheries and Aquaculture Loan Board business plan for 2016–2017. The plan outlines the board's goals and priorities for the coming year in line with its mission and mandate.

The board continues to focus on the provision of fisheries and aquaculture financing in order to encourage, sustain, improve, and develop the fishing and aquaculture industry in Nova Scotia. Developing the potential of Nova Scotia's fishing and aquaculture industries remains a priority for the provincial government because it directly supports the province's success as an exporter. Export Development Canada figures for 2015 show that the industry once again achieved significant growth, with seafood exports reaching $1.68 billion. That represents a 33 per cent increase over 2014.

Fishing and aquaculture have shaped the traditions of our rural and coastal communities for generations, and they continue to shape our province's future. Ensuring that industry participants are able to access competitive, reliable financing is a concrete way for the provincial government to support the sector in its efforts to grow and innovate to meet changing consumer appetites.

The ONE Nova Scotia Coalition's playbook recognized that Nova Scotia's ocean advantage was a key to a prosperous future where we are able to compete and succeed in the global marketplace. Helping members of the sector succeed through accessible financing supports economic growth, access to international markets, innovation, and adding value to our seafood products. We are committed to working with the industry to ensure that it continues to succeed.

The Honourable Keith Colwell, E.C.N.S.
Minister, Department of Agriculture and Department of Fisheries and Aquaculture

Mr. Peter Corey
Acting Chair, Nova Scotia Fisheries and Aquaculture Loan Board

Mission

The Nova Scotia Fisheries and Aquaculture Loan Board supports the development of fisheries and aquaculture businesses in Nova Scotia through responsible lending.

Vision

The Nova Scotia Fisheries and Aquaculture Loan Board (NSFALB) is a recognized leader in fisheries and aquaculture lending, creating opportunities in rural Nova Scotia through its market focus and service orientation. The NSFALB flexes and responds, along with the industry it serves, to deliver competitive, relevant, and meaningful products. Maintaining a balanced and diversified portfolio, and supporting industry succession and development while managing and taking calculated risks, is fundamental to success.

Mandate

The mandate of the Fisheries and Aquaculture Loan Board is to support the fisheries and aquaculture industry through the provision of capital financing. The NSFALB operates as a Crown corporation under the authority of the Fisheries and Coastal Resources Act 1996. This act provides authority, in part, to the NSFALB to make loans to, or guarantee loans of, a borrower for any purpose that, in the opinion of the Governor in Council, will encourage, sustain, improve, or develop the fishing industry in the province. Regulations made under Section 42 of the Act govern the terms and conditions of capital provided by the NSFALB.

Capital can be acquired for both short- and long-term developments, utilizing fixed-rate loans. Term loans of 5 and 10 years with fixed rates are available for short- to medium-length developments. Long-term financing with a maximum of 20-year amortization and an accompanying fixed rate of interest are available for several loan types, including new vessel construction and licence purchases. The maximum amortization of some other types of loans is dependent on the working life of the asset, as determined by the NSFALB.

Past–Present–Future

The NSFALB is a fisheries and aquaculture development agency, acting to build a financially stable and sustainable fisheries base in Nova Scotia since 1936. It supports fisheries and aquaculture and rural business development by providing short-, medium-, and long-term capital with competitive, fixed rates of interest. The NSFALB has developed several products designed to serve specific lending needs. These include Loans for Licences, New Vessel Construction Loans, Used Vessel Purchase Loans, Aquaculture Loans, and Loans for Shore-Based Infrastructure and Operations, among others.

NSFALB staff are primarily trained in fisheries and aquaculture lending and know these sectors very well. Many maintain in-depth knowledge of fisheries and aquaculture businesses and are well-equipped to understand the inner workings of fisheries and aquaculture finance. The NSFALB staff are committed to the industry and are interested in serving their client base effectively, with the right product at the right time. Staff are part of the larger Department of Agriculture and maintain very close connection with the Department of Fisheries and Aquaculture and, as a result, can access many additional resources.

Most NSFALB staff report directly to the Director of Crown Agencies. The Director of Crown Agencies reports to the Deputy Minister of Agriculture and is also responsible to the Minister of Agriculture, and Fisheries and Aquaculture. (Special Note: The Minister of Fisheries and Aquaculture is currently also the Minister of Agriculture and the Deputy Minister of Fisheries and Aquaculture is also the Deputy Minister of Agriculture). The Director of Crown Agencies is responsible for the operations of both the Nova Scotia Fisheries and Aquaculture Loan Board and the Nova Scotia Farm Loan Board. The NSFALB has its own CEO. The Director of Crown Agencies monitors the activities of its lending agency through its CEO.

The position of Director of Crown Agencies was established in 2012 to work co-operatively with the two departmental lending agencies and their respective boards of directors. This has resulted in a great deal of harmonization between the two boards' staff at the management level. While this harmonization is a work in progress to date, several senior positions now cover both boards, including the Director of Crown Agencies, Credit Manager, Senior Risk Manager, and Manager of Finance. In the near future, the Director plans to have a Special Credit Senior Loans Officer covering both boards and a new Further-Processing Loan Manager hired to be responsible for further-processing lending for both boards. This position will also include aquaculture lending, as it is as complex and difficult as further-processing lending.

Portfolio Management

The developmental nature of the NSFALB means that, in practical terms, the board is willing to take on more credit risk than a traditional bank. The result of this is that the board carries larger arrears than would be acceptable to a mainstream, institutional lending organization such as a Tier 1 bank. In order to better manage this risk and provide greater certainty around collection, more emphasis has been placed on credit assessment, risk assessment, and special credit roles.

The role of Finance Manager is to maintain the integrity of the accounting as it relates to the entire portfolio. This broad definition includes loan bookings and disbursements, posting of payments, receipting of payments and maintaining accurate and balanced records, tracking of term maturities, changes in interest rates as the provincial borrowing rates change, development of an accurate provision for arrears accounts, and working with external auditors to develop annual financial statements. To cover all of the above responsibilities and those not specifically referenced, the Finance Manager has a staff with strong skill sets in accounting procedures.

The role of Credit Manager is critical to supervision of solid lending practices carried out by the Loans Officers. The role of Credit Manager is to help a Loan Officer structure an effective application. The Credit Manager must ensure that the deal is good for both the client and the board. The Credit Manager will typically be looking for potential policy breaches, especially as they relate to applicable interest rates and to security required to provide a backdoor exit for the board in the event of default. The position requires the ability to coach and mentor less-experienced Loans Officers in good lending practices.

The role of Senior Risk Manager is to provide adjudication to assess the risk presented with a given credit application. The Risk Manager may assign conditions under which a loan will be made to better protect the investment. Authorization limits at the Loan Officer and Senior Loan Officer level have been removed, and authorization limits are restricted to the board's CEO, Credit Manager, and Senior Risk Manager.

The role of the special credit position will provide focused special credit activities with the objective of re-establishing the fisheries or aquaculture business to a regular payment regime, or coming to an agreeable resolution to the arrears problem, that works for all parties concerned. The role of special credit is to actively manage the arrears position of the loan portfolio so that the board is protected from unwarranted losses to as great an extent as possible.

Alignment with the Provincial Economy

The NSFALB forms a critical link in the capitalization of rural Nova Scotia businesses. The investment of some $100 million in Nova Scotia fisheries and aquaculture businesses is no small commitment on the part of the province. The capital is used to buy or construct fishing vessels, purchase commercial fishing licences, purchase aquaculture equipment and seed stock, modify or upgrade commercial fishing vessels, and adopt new fisheries or aquaculture equipment or technology.

These investments make Nova Scotia a better and more productive place to harvest, grow, or process fish, and they provide opportunities for Nova Scotians to purchase local seafood. These investments support a great deal of related industries, including building and materials suppliers, boat builders, and marine brokers, and they provide a very significant spinoff impact through the entire Nova Scotia economy.

The department has five strategic themes:

Enabling responsible economic growth: As discussed above, the NSFALB has a positive and significant impact on the rural economy of Nova Scotia. NSFALB staff and board directors are very aware of the responsibility they have as stewards of this provincial investment. When it makes good business sense, the NSFALB will partner with other lenders to allocate risk and complete a deal. Portfolio management is critical and is top of mind.

Supporting research and innovation: The NSFALB supports innovative fisheries and aquaculture businesses in their quest to extract value from new fisheries and species and in the adoption of new technologies.

Building public trust and market acceptance: The NSFALB disburses more than $20 million annually. These funds are used to improve seafood production, to improve processes, and in general to improve the quality of seafood available to local consumers. Much of this money is used to construct and improve fishing vessels or aquaculture operations to maintain or enhance the quality of the seafood produced. Significant investment in primary production ensures that the highest-quality possible seafood is grown and harvested, ensuring that premium quality products are generated from Nova Scotia resources.

Increasing trade and market access: Fish and seafood is currently Nova Scotia's largest export. In 2015, Nova Scotia exported $1.68 billion of fish and seafood. Lobster, crab, scallop, and shrimp were the largest fish exports in 2015, valued at $891 million, $180 million, $169 million, and $131 million, respectively. The NSFALB has made significant investments in many of these sectors, in particular the lobster sector, whose exports increased by $500 million from 2005 to 2015. The board also supports the province's fisheries and aquaculture sectors as they diversify their markets and leverage the negotiation of trade agreements in key regions.

Encouraging value-added opportunities: The concept of value-adding is a mechanism to escape commodity markets where margins are minimal. Some level of value-adding can make the difference between profit and loss. The NSFALB recently expanded eligibility to include shore-based infrastructure and operations. This will allow the fisheries and aquaculture industry to increase the value of the products it provides, while ensuring the sustainable and responsible use of the related resources. While risks are higher in value-added operations, so are the rewards for the skilled operators who can successfully navigate the process. This expanded eligibility will provide further support to clients when taking on value-added opportunities with good business potential.

Budget Context

Nova Scotia Fisheries and Aquaculture Loan Board Operational Income Statement

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenues			
Interest revenue	7,800	7,100	7,500
Loan fees	164	246	204
Other recoveries		1,194	
Total revenue	**7,964**	**8,540**	**7,704**
Expenses			
Interest expense	4,600	4,600	4,900
Operating expenses	738	806	746
Bad debt expense	78	0	78
Total expenses	**5,416**	**5,406**	**5,724**
Net income (loss)	**2,548**	**3,134**	**1,980**
Transferred to the province	(2,548)	(3,134)	(1,980)
Remaining	**0**	**0**	**0**

Notes:

1. See year-end annual reports for complete financial information and notes (http://www.novascotia.ca/fish/about-us/business-plans-and-accountability-reports/).

2. Interest expense is established under terms of a Memorandum of Understanding arranged with the Department of Finance.

Capital Funds	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Opening principal	**107,083**	**111,484**	**102,482**
Add loan advances	25,000	21,000	30,000
Less repayments	(20,800)	(30,000)	(25,000)
Less principal written off	(2,000)	(2)	(1,000)
Closing principal	**109,283**	**102,482**	**106,482**
Provision for impaired accounts			
Opening provision	2,353	2,854	1,685
Less accounts written off	(2,000)	(2)	(1)
Additions (principal portion of bad debt expense +/- adjustments)	78	(1,167)	78
Closing allowance	**431**	**1,685**	**1,762**
Net portfolio at year-end	**108,852**	**100,797**	**104,720**

Outcomes and Performance Measures

Core Business Area *Lending*

Outcome	Measures Rationale	Data	Targets 2016–17	Ultimate Target	Strategic Prioritiesto Address
Growth in the rural economy	Total new funds advanced during the year (in $ millions)	2009–10: $25 2010–11: $15 2011–12: $21 2012–13: $16 2013–14: $18 2014–15: $25 2015–16: $21	Increase annual advances	Increase annual advances over previous year	Be more flexible and responsive to industry needs. Enhance service orientation and market focus. Provide more relevant and meaningful products. Be more competitive. Support industry succession and development. Manage and take calculated risks. Increase awareness and profile.
Increase in the number and success of participants in the fisheries and aquaculture sectors	Average age of loan applicants	2014–15: 44 2015–16: 45	Maintain below 45	Facilitate business and industry succession	Create a balanced and diversified portfolio. Enhance service orientation and market focus. Support industry succession and development. Manage and take calculated risks. Increase awareness and profile.
	% (by #) of loan applicants aged 19–35	2014–15: 27% 2015–16: 23%	Increase % of applications annually from this cohort		
	% (by #) of applicants applying as new entrants or new species	2014–15: 44% 2015–16: 34%	Increase the number of new entrants who successfully qualify for loan board financing		
Increase in stable successful clients	% of accounts in arrears (as an indication of client strength)	2009–10: 5.8% 2010–11: 3.3% 2011–12: 3.3% 2012–13: 3.7% 2013–14: 4.1% 2014–15: 2.7% 2015–16: 2.5%	Maintain at less than 3.0%	Less than 3.0%	Create a balanced and diversified portfolio. Manage and take calculated risk.

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Harbourside Commercial Park Inc.

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Message from the Minister and the President

Harbourside Commercial Park Inc. (HCPI) began operations as a Crown corporation during the 2007–2008 fiscal year, with the mandate to manage the commercial development of remediated areas of the former Sydney Steel property. HCPI has also taken possession and control of the former Bowater property in Liverpool, Nova Scotia. HCPI also works closely with the operations at Pictou Wharf facility.

Since the opening of three phases of the commercial park, levels of employment have steadily increased. The 26 businesses within the Sydney park have 244 full-time employees plus an additional 20 part-time workers.

Harbourside Commercial Park personnel are actively dealing with prospective tenants interested in land and building purchases. Because of demand, the park has reached full capacity for rental of available office space in existing buildings.

Harbourside Park has contributed, and continues to contribute, to the local economy and provides an excellent area for new and existing businesses to develop. The 2016–2017 fiscal year looks very positive, as new tenants choose Harbourside as their business location.

Just as importantly, the Sydney site aims to achieve viable operations with minimal or no government financial support.

The Honourable Geoff MacLellan
Minister of Transportation and Infrastructure Renewal

Gary Campbell
President, Harbourside Commercial Park Inc.

Mandate

HCPI's overall strategy is to advance its objectives with respect to establishing fiscally viable commercial business parks at the former Sysco steel mill site and the former Bowater property (Port Mersey Commercial Park).

The Commercial Park facilities are managed with an eye to community economic/ employment benefit while striving to operate in a fiscally responsible manner aiming to achieve viable operations with minimal or no government support.

Government's Priorities

HCPI will continue to develop and implement marketing strategies promoting HCPI and Port Mersey Commercial Park to attract new tenants to both parks.

As more property is remediated and purchased, HCPI will continue to participate in the development of a long-term plan that clearly establishes its vision for the sites and their adjacent properties. Included in the planning will be potential uses of the lands and a strategy to attract to the parks new businesses that support the vision.

People

As part of the redevelopment, leasing, and sales arrangement with any property, the process includes review and approval of a potential client's business envelope. In this envelope, anticipated short-term and long-term employment numbers for a given operation form one of the key decision chains.

Innovation

At the Port Mersey Commercial Park, Innovacorp sponsors the Center of Excellence and has attracted start-up companies whose very premise is innovation. These companies include Cellufuel, which uses a novel process to convert wood materials into a diesel fuel product that can be used as a supplement or replacement for traditional diesel fuel.

A second Innovacorp-sponsored company is Unify/Lightsail, which has a new technology for the efficient storage of power produced from wind energy turbines.

A number of other start-up companies that remain relatively low key and have chosen the Nova Scotia Lands–operated parks as their venue include

- Protocase – a computer component company specializing in limited production orders and lightning-fast turnarounds
- HRS Industrial Services, which can provide the manpower and skills to do almost anything, almost anywhere
- Millcreek Environmental – industrial waste handlers who have proven that they can handle any difficult situation or emergency
- 26 companies – all unique in some aspect – that are operating on Nova Scotia Lands–managed properties

Core Responsibilities

Harbourside Commercial Park Development

HCPI's core objectives are the continued property management and operation of the park.

Key Actions:

a) Explore marketing advertising opportunities to further park usage.

b) Establish industrial/commercial tenant for north brown field property.

c) Provide business and other opportunities to the communities of CBRM.

d) Maintain sound health and safety practices in order to minimize the potential risk of injury to workers, visitors, tenants, suppliers, and others who may visit the site.

e) Maintain adequate maintenance on the site to prevent the loss or damage to provincial property and site assets.

f) Investigate commercial development opportunities for Harbourside East and Frederick Street properties.

g) Maintain financial viability, whereby government financial assistance is negligible or not required.

Port Mersey Commercial Park Development

Continue management, promotion, and development of this first-class commercial park in the Brooklyn/Liverpool sector of Queens County.

Key Actions:

a. Explore marketing and advertising opportunities to further park usage.

b. Establish and work with tentative new tenants/partners on ship breaking program.

c. Lease terminal building and maintenance shops.

d. Continue wharf usage development.

e. Establish, at minimum, two new commercial tenants.

f. Maintain adequate security on site to prevent loss or damage to provincial property and site assets.

g. Maintain sound health and safety practices to minimize the potential risk of injury to workers, visitors, tenants, suppliers, and others who may visit the site.

Open Hearth Park Management

HCPI will continue to promote and encourage active living and community cohesiveness through Open Hearth Park operations.

Key Actions:

a. Work with Cape Breton Regional Municipality in the extension of Open Hearth trails to the downtown boardwalk and cruise-ship pavilion.

b. Encourage use of the park through promotional events, which may include summer concerts, parades, and holiday activity events.

c. Stay within the funding guidelines provided through the 25-year federal/provincial maintenance and monitoring agreement.

d. Complete connection from Harbourside Commercial Park to North Bridge in Open Hearth Park.

e. Continue to intricately link the Open Hearth Park to Harbourside Commercial Park to enhance land value and attractiveness.

Outcomes and Performance Measures

Core Business Area: Commercial Park Development

Promote the growth and expansion of the two commercial parks falling under HCPI's mandate by promoting the attributes of the parks, assisting businesses in leasing space (and buildings) in the parks, and enabling tenants to succeed by facilitating contracts with government and other resources, wherever possible.

HCPI has been active in the past year attracting new tenants to the parks and will work with community and government contacts to target additional tenants in the parks in 2016–2017.

HCPI will endeavor to attain this goal by continuing to focus on helping clients establish and promote businesses in the parks through the facilitation of contacts with local government departments and agencies to ensure widespread knowledge of the resources, services, and opportunities available to business from park tenants.

Financial Statements

Harbourside Commercial Park

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenues			
Leases and rent	628	591	285
Provincial funding	421	496	510
Economic development	0	0	0
Sale of land	260	222	384
Other	24	140	12
Total revenue	**1,333**	**1,449**	**1,191**
Expenses			
General operating expenses	1,180	1,257	1,021
Management fees	151	151	206
Total expenses	**1,331**	**1,408**	**1,227**
Net income (loss)	**2**	**41**	**(36)**
Capital expenditure	**1,000**	**1,000**	**0**

Port Mersey Commercial Park

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenues			
Miscellaneous recoveries	0	11	0
Leases	300	29	210
Sales	50	251	400
Wharf usage	300	23	250
Economic development provincial recovery	1,250	1,250	1,250
PNS grant	2,136	2,136	1,000
Miscellaneous income	0	14	0
Total revenue	**4,036**	**3,714**	**3,110**
Expenses			
Payroll	904	899	800
General and administration expenses	2,515	2,098	2,020
Consulting expenses	112	78	50
Security expenses	230	223	190
Site reconstruction	275	700	50
Total expenses	**4,036**	**3,998**	**3,110**
Net income (loss)	**0**	**(284)**	**0**

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Housing Nova Scotia

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Message from the Minister and the CEO

We are pleased to present the Housing Nova Scotia business plan for 2016–2017. The plan outlines the corporation's continued commitment to help lower-income Nova Scotians find a safe and affordable place to call home, in a healthy and vibrant community.

Increasing affordable housing opportunities for lower-income families, seniors, and persons with disabilities remains Housing Nova Scotia's main focus. The preservation of existing stock and creation of new housing options are critical to ensuring that the corporation can meet its desired outcomes.

In 2016–2017, the corporation will continue its strategic investments to help preserve and expand its social housing portfolio from Deferred Federal Contributions. We will also explore opportunities to further reduce our impact on the environment by using technology to make our properties more energy efficient. Nova Scotians can also expect us to renew our effort on breaking the cycle of homelessness for the most vulnerable citizens.

Sincerely,

The Honourable Joanne Bernard
Minister responsible for Housing Nova Scotia

Dan Troke
President and Chief Executive Officer, Housing Nova Scotia

Federal infrastructure funding – note to readers:

Since Housing Nova Scotia's 2016–2017 Business Plan was prepared, the federal budget has been released, with proposed infrastructure funding related to affordable housing. Given that the specific details of the funding and the allocation to the Province of Nova Scotia will unfold over the coming months, the impacts of this funding have not been assessed or built into this plan. Consequently, the targets and goals of this plan may be revised or updated as additional information related to the federal infrastructure money is released.

Mandate

Housing Nova Scotia was created in August 2013. Prior to that, the organization had been known as the Nova Scotia Housing Development Corporation.

Housing Nova Scotia's mandate is defined under the Housing Nova Scotia Act and the Housing Act. It can be summarized as follows:

- To establish housing projects and construct housing accommodation of all types for sale or rent
- To plan, design, build, own, maintain, manage, and operate housing projects
- To construct, acquire, renovate, and maintain housing of all types and sell, lease, or otherwise dispose of such housing
- To promote, construct, and provide more adequate and improved housing for low-income households
- To improve the quality of housing and the quality of amenities related to housing

Housing Nova Scotia's strategic direction is moving the province forward in the following key areas:

- Promoting and supporting development of communities that are healthy, vibrant, and diverse
- Ensuring a range of affordable housing options for owners and renters
- Offering paths to ownership that help Nova Scotians become homeowners
- Building partnerships with communities, residents, businesses, non-profit organizations, and local governments
- Supporting independence, inclusion, and dignity for seniors, people with disabilities, and vulnerable Nova Scotians

Link to Government's Three Priorities

Priorities, Outcomes, and Goals

Housing Nova Scotia's planned actions for 2016–2017 are aligned with government's *People* priority and the related outcome to be achieved: *Nova Scotia's population is growing, productive, and thriving.*

Government's stated goals under this priority are to

1. increase net interprovincial and international immigration levels
2. enhance workforce participation of youth, older workers, and marginalized communities
3. enhance health and wellness outcomes
4. improve communities and social well-being

Actions

The specific actions Housing Nova Scotia will undertake in 2016–2017, which will support government in achieving these stated goals, are as follows:

Contribute to the preservation of the existing supply of affordable housing and the creation of new affordable housing options.

Through programming funded under the CMHC–Nova Scotia Agreement for Investment in Affordable Housing 2014–2019 (IAH agreement), as well as other provincially funded programming, Housing Nova Scotia continues to help improve the living conditions of households in need.

This action aligns with Housing Nova Scotia's mandate to improve the availability and quality of housing for low-income households. In addition, this action supports the enhancement of government's health and wellness outcomes as well as the improvement of communities and social well-being. The ongoing delivery of our grant and loan programs – including our home repair and adaptation programs for low-income households, including families, seniors, and persons with disabilities – helps to ensure access to housing that is healthy, safe, suitable, and sustainable. Through assistance under these programs, eligible households are able to remain in their homes and their communities.

Furthermore, Housing Nova Scotia's programs that assist private sector and not-for-profit developers in the creation of new affordable rental housing contribute to the overall availability of affordable housing in our province. This provides support for new immigrants, as well as youth, older workers, and marginalized communities, in being able to access safe and affordable housing, participate in the workforce, and remain in Nova Scotia.

It should also be noted that the outcomes identified by CMHC under the IAH agreement include the fostering of skilled labour by supporting apprenticeships in the residential housing sector. This aligns with government's *Education* priority and its goal to improve workforce participation and entrepreneurship by improving opportunities for skills development through post-secondary education, apprenticeship, co-operative education programs, and internships.

Preserve and expand our social housing stock through ongoing strategic investments from Deferred Federal Contribution funds under the Social Housing Agreement.

Housing Nova Scotia is fulfilling its mandate to maintain its existing housing stock while providing more options for adequate and affordable housing. One action that Housing Nova Scotia is taking to meet this objective is the continued investment of Deferred Federal Contribution funds currently available in the amount of $42 million over 10 years. This includes the following:

- Upgrading the province's existing family and seniors' aging public housing stock. Investments are being aimed at heating upgrades, making our properties more accessible, replacing structural components such as roofing and windows, upgrading sprinkler and fire alarm systems, and living area upgrades and improvements.

- Retrofitting co-operative housing stock to maintain its long-term viability through necessary repairs to structural, electrical, plumbing, and heating elements, and modifications for accessibility.
- Establishing more rent supplement units across the province to address and target those areas with the greatest need for affordable housing. Tenants for these new units will come from households on public housing wait lists.

This action supports the enhancement of government's health and wellness outcomes and the improvement of communities and social well-being. Through the repair, upgrade, and revitalization of public housing, improvements to the physical condition of the co-operative housing stock, and creation of additional rent supplements, Housing Nova Scotia is ensuring ongoing access to healthy, safe, and affordable housing for some of the most vulnerable Nova Scotians and contributing to their overall well-being and that of the communities in which they live.

Continue to explore opportunities for targeted neighbourhood revitalization in communities throughout Nova Scotia.

This priority is focused on exploring further opportunities to expand the Neighbourhood Improvement Initiative to more communities. The program supports the repair and upgrade of existing homes and structures and building new affordable housing through residential in-fill construction. In 2013, the Alice Street area in Truro was the first designated Neighbourhood Improvement Area in the province. Since then, initiatives have also been launched in the New Aberdeen area of Glace Bay and the Main Street area of Yarmouth. In 2016–2017, Housing Nova Scotia will look to partner with a minimum of two communities and leverage additional investment from participating municipalities and the private sector. Housing Nova Scotia will also be evaluating the current neighbourhood improvement demonstration program to inform the recommendation to establish a permanent program.

Neighbourhood revitalization fosters healthy, vibrant, and diverse communities, a key strategic objective of Housing Nova Scotia. It also supports government's health and wellness outcomes and the improvement of communities and social well-being. The neighbourhood improvement initiatives introduced by Housing Nova Scotia contribute to building healthy and diverse communities by improving existing older urban residential neighbourhoods and their long-term viability. These initiatives help stabilize the targeted neighbourhoods by improving the condition, appearance, safety and physical longevity of housing.

In collaboration with the Halifax Housing and Homelessness Partnership, support the Housing First project and the commitment to end homelessness in the Halifax Regional Municipality by 2019.

In 2015–2016, Housing Nova Scotia committed to the Housing First project in HRM by providing funding subsidies for rent supplement units to help chronic and episodic users of emergency shelters transition to more permanent housing. Project funding for Housing First is provided by the federal government's Homelessness Partnering Strategy.

Housing Nova Scotia will also continue its ongoing financial commitment for other programs that help homeless individuals or individuals at risk of becoming homeless. In 2016–2017, we will continue our investment in the Housing Support Worker

Program for the Halifax area. We will also invest in rent supplement unit subsidies for emergency shelter providers and make funding available through the Shelter Enhancement Program to upgrade existing shelters and secondary-stage housing for victims of family violence across the province.

This action targets helping homeless individuals or individuals at risk of homelessness in being able to access safe, healthy, and affordable housing. It supports Housing Nova Scotia's strategic objectives to build partnerships and foster independence, inclusion, and dignity, particularly for vulnerable Nova Scotians.

Housing Nova Scotia's participation in HRM's Housing First project is helping to support people in making the transition from emergency homeless shelters into more long-term housing. The first step in providing access to stable housing will allow project participants the opportunity to access the support services they need to help improve their health and well-being, thereby contributing to government's overall objectives in this area.

Explore and look for opportunities to pilot affordable home ownership programs that will target first-time homebuyers, similar to programs offered in other jurisdictions.

In piloting or exploring opportunities to deliver affordable home ownership, targeting first-time home buyers, Housing Nova Scotia will contribute to the availability of affordable housing options and offer paths to home ownership for Nova Scotians. The availability of such opportunities will support youth and recent immigrants in making the decision to remain in the province, participate in the workforce, and become members of healthy, diverse communities. This will also support government's health and wellness outcomes as well as contribute to the improvement of our communities and overall social well-being.

Inputs

It is anticipated that Actions 1 through 4 can be undertaken within Housing Nova Scotia's proposed 2016–2017 budget allocation and FTE complement. Potential budget and FTE implications for Action 5 in 2017–2018 will be determined as the recommendation for a home ownership program is developed in 2016–2017.

Core Responsibilities

Core Services, Outcomes, and Goals

Government has established the following outcome in relation to the effective and efficient delivery of core services including education, health care, community services, infrastructure, and other public services:

The delivery of core services by government to Nova Scotians is effective and efficient, and the budget is balanced with an expected surplus by 2017–2018.

Housing Nova Scotia's core function is to ensure the availability of safe, suitable, and affordable housing for all Nova Scotians, at every stage of life. We are committed to carrying out our core activities effectively and efficiently and strive to identify opportunities for continuous improvement.

The following core business areas support Housing Nova Scotia in fulfilling its mandate and delivering on its objectives and planned actions:

- Portfolio management:
  - Overseeing the operations of housing authorities who manage the provincially owned public housing portfolio, including the provision of technical services
  - Overseeing the operations of the co-operative and non-profit housing portfolio
  - Overseeing remaining social housing portfolios (urban native and rural and native housing)
  - Asset and risk management
- Acquisition and disposal of real estate
- Land development – designing and constructing housing projects, including mixed-income, mixed-tenure developments
- Program delivery – designing and delivering a range of housing programs and services, including social housing, affordable housing, development of new housing, home repair, renovation, and adaptation; programs for home owners, landlords, seniors, and persons with disabilities; and home ownership options and support for homeless individuals and individuals at risk of homelessness

Actions

In support of more effective and efficient core service delivery, Housing Nova Scotia has identified the following actions for 2016–2017:

Operational Effectiveness and Improvement

1. Develop a comprehensive capital asset management process based on industry best practices, including an annual reporting component, to support long-term capital asset planning and investment.

2. Undertake a review of Housing Nova Scotia's existing land bank to assess purpose and future use of holdings for the creation of affordable housing. This will involve completing a comprehensive inventory of properties to identify land for development or disposal over both the short and long terms.

3. Initiate a review of our existing home repair loan and grant programs to identify opportunities to streamline and improve effectiveness and efficiency and to achieve enhanced service delivery.

4. Complete a governance review to ensure that Housing Nova Scotia's structure and operating model support us in the effective and efficient delivery of our mandate.

Sustainability and Efficiency

1. Establish an energy consumption baseline for the public housing stock to better understand current consumption levels.

2. Investigate opportunities to leverage existing programs and partnerships, including those with Efficiency Nova Scotia and Clean Nova Scotia.

3. Identify and pilot the use of two new technologies in 2016–2017 that could contribute to reductions in energy consumption.

Leveraging Partnerships

1. Continue to build partnerships with communities, the private sector, non-profit organizations, and other levels of government to identify opportunities to incorporate innovation, best practices, and efficiencies in our existing program delivery. This will include
    - ongoing participation on the Halifax Housing and Homelessness Partnership
    - continued partnership with the Nova Scotia Homebuilders Association in the pilot of a development on Circassion Drive in Cole Harbour that will provide the opportunity to test and demonstrate opportunities for smaller, more affordable home ownership options
    - exploring and evaluating opportunities to partner with the private sector to pilot and test new designs, including smaller units, within the proposed College Park development to advance affordable housing options and more affordable home ownership options
    - continued partnership with Habitat for Humanity in the development of affordable home ownership options

Inputs

It is anticipated that Housing Nova Scotia will be able to undertake these actions within Housing Nova Scotia's current budget allocation and FTE complement.

Performance Measures

Housing Nova Scotia is supporting government's priorities of improving the efficiency and effectiveness in the delivery of core responsibilities and service delivery through the actions noted above. In 2016–2017, progress will be assessed through achievement of the following:

- Implement an enhanced capital asset management process and annual reporting template.
- Complete a comprehensive land inventory database identifying properties to hold or pursue for future development or active disposal.
- Bring forward recommendations for changes to improve the effectiveness and efficiency of home repair loan and grant programs.
- Complete review and bring forward recommendations for any required changes to the governance structure or operating framework to improve efficiency and effectiveness in delivering our mandate and programming.
- Establish an energy consumption baseline.
- Identify and launch pilots for two new technologies aimed at reducing energy consumption.

Housing Nova Scotia is continuing to refine its performance measures to identify those that are most meaningful, informative, and based on established reporting mechanisms, such as the annual report of outcomes and results under the CMHC–Nova Scotia Agreement for Investment in Affordable Housing 2014–2019.

In 2016–2017, Housing Nova Scotia will use the following measures to help assess the success of the actions identified in this business plan:

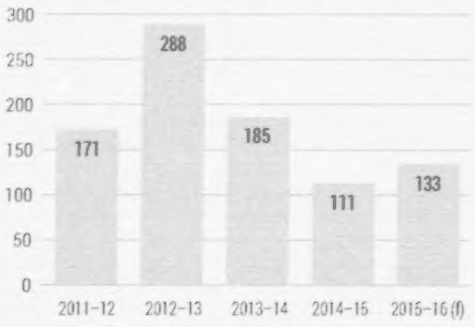
Core Business Area: Program Delivery and Land Development

Contribute to the supply of sound, suitable, and affordable rental housing.

One of Housing Nova Scotia's priorities is to increase the supply of affordable housing units, all of which are sound, suitable, and sustainable. Under the 2014–2019 Investment in Affordable Housing, Housing Nova Scotia directly contributes to the affordable housing stock through its affordable housing programs in partnership with both the public and private sectors. This measure captures the affordable rental units created and preserved under the IAH agreement and is an indicator of progress toward ensuring affordable housing options for Nova Scotians.

The chart below displays the number of units Housing Nova Scotia created and preserved within the past five years. These units remain affordable for a 10- to 15-year period. Housing Nova Scotia will continue to contribute to affordable housing stock in Nova Scotia in 2016–2017 and will strive to maintain or increase the number of affordable units that have been created and preserved, compared to recent years.

Number of affordable units created and preserved

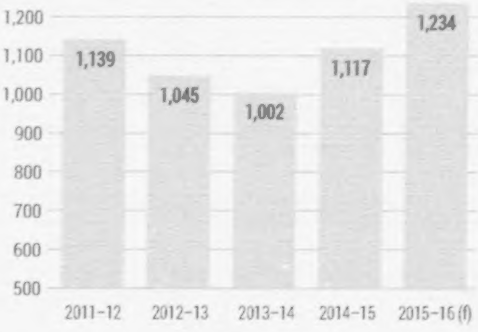


(f) = forecast

Continue to support low-income households in Nova Scotia by facilitating access to healthier, safer and sound housing through major health-and-safety-related repairs.

With some of the oldest housing stock in Canada, Housing Nova Scotia continues to offer programs to improve the health and safety of homes within the province. The number of repairs funded by Housing Nova Scotia is an important indicator of the assistance it provides to households such that their homes are made safer and more livable. It is also an indicator of progress in maintaining the housing stock. Housing Nova Scotia supports homeowners and renters directly by offering programs that allow them to live in their homes for longer periods of time. In 2016–2017, Housing Nova Scotia will continue to offer programs to support health-and-safety-related repairs for households within the province, with the target of maintaining or increasing the number of homes preserved through major health and safety-related repairs in recent years.

Number of homes preserved through major health-and-safety-related repairs



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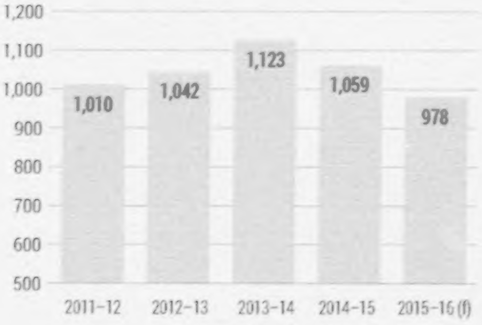
Continue to support seniors and individuals with disabilities by helping to ensure housing is safe and adapted to their needs so they can continue to live independently in their own homes.

Assisting low- to moderate-income seniors and persons with disabilities in continuing to live independently in their own homes is a key objective of Housing Nova Scotia's home repair and adaptation programs. This measure is the number of approved households under the health-and-safety-related repair and adaptation programs, designed for low- to moderate-income seniors and persons with disabilities. The financial assistance provided for home repairs helps ensure that these homes are safe and allows households to remain in their chosen community.

The chart below displays Housing Nova Scotia's ongoing work to support these populations. In 2016–2017, Housing Nova Scotia will work to maintain or increase the number of households with seniors or persons with disabilities that are helped through these home repair and adaptation programs and supported in continuing to remain independent.

Number of households with seniors or persons with disabilities helped by health-and-safety-related repairs or home adaptations that will enable them to continue to live independently in their own homes and communities



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Core Business Area: Portfolio Management

Increase the number of co-operative housing organizations that achieve a ranking of Level I or a high Level II based on an annual assessment of their financial, democratic, and physical condition.

Ranking is defined by the overall health of a co-operative, based on a review of various financial statements, building/property reports, and governance documents to identify specific factors regarding a co-operative's business practices. These business practices are assessed as a whole to determine the co-operative's ranking on a four-point scale ranging from Level I (highest ranking) to PID (project in difficulty).

Ranking provides a standardized method of measuring the specific factors that have been determined to be good indicators of the overall health as a viable organization. In 2014–2015, 47 per cent of co-operatives under the Social Housing Agreement (SHA) achieved this ranking, and Housing Nova Scotia will continue to work to ensure that the financial, democratic, and physical condition of co-operatives improves. In 2016–2017, Housing Nova Scotia will work to ensure that 54 per cent of co-operatives under the SHA achieve these rankings.

Core Business Area: Waitlist Management

Continue to work to reduce public housing waitlists throughout the province by placing families and seniors in safe, affordable housing. Housing Nova Scotia will also work in conjunction with the Disabilities Support Program to support individuals with disabilities in finding safe and stable housing, adapted to their needs, so they can live independently in their own homes.

In 2015–2016, Housing Nova Scotia was able to reduce the overall public housing waitlist by more than 10 per cent through the addition of new units, ongoing waitlist management efforts, and the administration of rent supplements. Continuing to reduce the public housing waitlist by another 10 per cent will be the target for 2016–2017. In addition, through partnership with the Disabilities Support Program, Housing Nova Scotia will look for opportunities to reduce this program's waitlist by the same percentage.

Budget Context

Funding source	**Estimate 2015–16 ($ 000)**	**Forecast 2015–16 ($ 000)**	**Estimate 2016–17 ($ 000)**
Revenue from government sources	113,153	108,876	116,842
Revenue from rents	57,521	56,642	57,301
Interest, revenue from land sales, and other revenue	36,405	35,696	34,774
Total funding	**207,079**	**201,214**	**208,917**
Expenditure source			
Interest on long-term debt	42,778	42,224	41,512
Property management and operation	60,425	59,098	61,035
Maintenance and capital improvements	37,771	38,720	38,720
Housing renovation and affordable housing	22,810	21,266	22,810
Social housing subsidies	20,295	16,701	21,980
Depreciation of investment in social housing	21,000	21,625	20,700
Provision for doubtful accounts	–	750	660
Housing strategy	2,000	830	1,500
Total expenditures	**207,079**	**201,214**	**208,917**

Crown Corporation Business Plans

2016–2017

Nova Scotia Lands Inc.

NOVA SCOTIA

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Message from the Minister and the President

Since its establishment in 2006, Nova Scotia Lands Inc. (NSLI) has achieved very steady progress in several major environmental and site redevelopment areas. The decommissioning of the Sydney Steel Corporation (Sysco) plant has been completed, as well as the environmental cleanup of the 185 hectare (ha) site. The first three phases, totalling 68 ha (170 acres) have been completely serviced and turned over to Harbourside Commercial Park Inc. (HCPI) for commercial development. Phases IV and V will be turned over and paid out of this year's budget, for a total of 34 ha (88 acres). On the remaining portion of the former Sysco steel plant site, slag reclamation and sales will continue.

In 2016–2017, one of the roles of NSLI will be to continue activities at the former Sysco site, recycle any remaining products of value, and put in place the necessary infrastructure for continued management of the commercial park facility on behalf of HCPI. Working in collaboration with HCPI, we will continue to assist in marketing this park to regional, national, and international interests. NSLI will also put to use its substantial environmental cleanup experience to deal with other contaminated sites, such as the Boat Harbour industrial waste facility. NSLI will continue as custodian of the Open Hearth Park (former Tar Ponds) and Harbourside East (former Coke Ovens) sites. ensuring appropriate long-term maintenance and monitoring, while encouraging use and development of the sites.

In 2016–2017, NSLI will continue management of the Port Mersey Commercial Park (former Bowater site). We are also continuing to manage the Pictou Wharf facility, which includes major upgrades to the dock utilities and fender systems.

Co-operative efforts will continue with a number of regional municipalities in planning for viable reuse of provincially owned properties, in order to assist municipal governments in rebounding from the loss of a major industry.

The Honourable Geoff MacLellan
Minister of Transportation and Infrastructure Renewal

Gary Campbell
President, Nova Scotia Lands Inc.

Mandate

To prioritize for action, assess, and, where necessary, remediate provincially owned properties, with the objective of returning these lands to reusable condition, with no substantive environmental or safety concerns.

To seamlessly manage former brownfield industrial sites that operate under environmental approvals and environmental management plans. These sites include Harbourside Commercial Park and Open Hearth Park in Sydney, Nova Scotia, and Port Mersey Commercial Park in Liverpool, Nova Scotia. Nova Scotia Lands also manages the revitalized Pictou Wharf in Pictou, Nova Scotia.

The commercial park facilities are managed with an eye to community economic/employment benefit, while striving to operate in a fiscally responsible manner, aiming to achieve viable operations with minimal or no government financial support.

In addition to the above-listed sites, Nova Scotia Lands is commencing a remediation program of Boat Harbour – a harbour impacted through the years by pulp and paper mill effluent.

Government's Priorities

People

Although in our mandate, we talk of operations that are financially viable, more importantly, people form one of our main focuses.

- Nova Scotia Lands maintains a core group of people who both oversee development and manage the day-to-day activities at their sites. In addition to a committed labour contingent, the corporation maintains engineers, accountants, vehicle operators, and tradespeople, whose collective interests include ongoing development for the benefit of the communities in which Nova Scotia Lands Inc. personnel operate and live. Worker participation in decisions, training, and positive interpersonal relations is promoted and encouraged.
- In addition to employment and employee/employer relations, the community needs green space and a place for active living. The Open Hearth Park – formerly Tar Ponds – provides an outdoor venue, second to none in the province, where active living is encouraged. The park has walking trails with outdoor exercise stations, playground, artificial-turf football field, soccer field, and an off-leash dog park. In addition, the Harbourside Commercial Park sports tennis and basketball courts, a soccer field, and a quarter-mile track. The green space is also used as a venue to host community events and activities such as concerts and charitable fundraising events.

Innovation

Slag operations at first glance might seem a fairly simple and innocuous type of gravel quarrying operation, but look again.

- Slag is a recycled aggregate that supplants quarried aggregates mined from virgin ground. The product as an aggregate is superior to most mined products.

- Nova Scotia Land, in conjunction with Dalhousie University, has completed studies [illegible] the Dalhousie Agricultural Cam[illegible]ro demonstrating that slag is [illegible]erial for replacement of sep[illegible]d in sloping filters.
- Currently, Nova Scotia Lands is assessing the viability of different slag blends to determine suitability as a potting soil medium. This material will also be tested in conjunction with a waste compost product at the Port Mersey site (a waste stream from the former Bowater water treatment facility).

Education

For several years, Nova Scotia Lands and associated corporations have employed university students for spring, summer, and fall work in fields close to their chosen lines of study. In the upcoming year, Nova Scotia Lands will assess means and methods whereby its contractors will be encouraged to employ students seeking trade certifications through apprenticeship programs.

Core Responsibilities

Harbourside Commercial Park Development

Continue management, promotion, and development of this first-class commercial park in the core of downtown Sydney.

Key Actions:

a. Explore marketing advertising opportunities to further park usage.

b. Establish industrial/commercial tenant for north brownfield property.

c. Continue management and maintenance of park facilities.

d. Continue with quarrying, marketing, and sales of slag product.

e. Further research use of slag as a growing medium.

f. Investigate commercial development opportunities for Harbourside East and Frederick Street properties.

g. Maintain financial viability, whereby government financial assistance is negligible or not required.

Port Mersey Commercial Park Development

Continue management, promotion, and development of this first-class commercial park in the Brooklyn/Liverpool sector of Queens County.

Key Actions:

a. Explore marketing and advertising opportunities to further park usage.

b. Establish and work with tentative new tenants/partners on ship-breaking program.

c. Continue wharf repairs.

d. Further research on ASB compost product as potential growing-medium blend.

e. Establish at minimum two new commercial tenants.

f. Rationalize or sell remaining redundant industrial equipment.

g. Explore federal government harbour divestiture plans.

h. Manage works to minimize government funding requirements.

Open Hearth Park Management

Promote and encourage active living and community cohesiveness through Open Hearth Park operations.

Key Actions:

a. Work with Cape Breton Regional Municipality in the extension of Open Hearth trails to the downtown boardwalk and cruise-ship pavilion.

b. Encourage use of the park through promotional events, which may include summer concerts, parades, and holiday activity events.

c. Stay within the funding guidelines provided through the 25-year federal/provincial maintenance and monitoring agreement.

d. Complete connection from Harbourside Commercial Park to North Bridge in Open Hearth Park.

Boat Harbour Operations

Key Actions:

a. Install service road.

b. Commence pilot-scale remediation trials.

Long-term Maintenance and Monitoring

Continue with established and approved maintenance and environmental monitoring of the remediated brownfield sites to ensure stability.

Key Actions:

a. At Open Hearth Park – LTMM.

b. Harbourside Commercial Park/ Sysco – LTMM.

c. Port Mersey Park – Promote growth and use of park, approvals requirements.

d. Boat Harbour requirements

Outcomes and Performance Measures

Core Business Area: Commercial Park Development

Promote the growth and expansion of the two commercial parks falling under NSLI's mandate by promoting the attributes of the parks, assisting businesses in leasing space (and buildings) in the parks, and enabling tenants to succeed by facilitating contracts with government and other resources wherever possible.

NSLI has been active in the past year attracting new tenants to the parks and will work with community and government contacts to target additional tenants in the parks in 2016–2017.

NSLI will endeavour to attain this goal by continuing to focus on helping clients establish and promote businesses in the parks through the facilitation of contacts with local government departments and agencies to ensure widespread knowledge of the resources, services, and opportunities available to business from park tenants.

Budget Context

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenues			
Management fee from HCPI	160	155	206
Miscellaneous recoveries	0	26	124
Pictou Wharf	100	33	178
LTMM Fund	1,058	792	1,213
Boat Harbour	0	0	4,993
MV Miner	5,027	5,027	0
MV Miner – Other Expenses	0	3	118
Halifax office – Boat Harbour	0	497	0
Port Mersey – economic development	1,250	900	256
Recovery from Sysco	1,062	865	825
Provincial funding	0	0	0
Miscellaneous income	0	13	80
Total revenue	**8,657**	**8,311**	**7,993**
Expenses			
Payroll	1,252	1,161	1,252
General and administration expenses	588	748	620
Consulting expenses	100	100	100
Sysco LTMM	424	370	319
Sysco capital	550	423	250
OH Park and CO LTMM	904	676	952
MV Miner contract	4,739	4,742	0
Pictou Wharf	100	33	0
Boat Harbour	0	0	4,500
Unbudgeted recoverable items	0	3	0
Total expenses	**8,657**	**8,256**	**7,993**
Net income (loss)	**0**	**55**	**0**

Crown Corporation Business Plans

2016–2017

Nova Scotia Liquor Corporation

NOVA SCOTIA

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Mandate and Legislated Responsibility

The Nova Scotia Liquor Corporation (NSLC) is governed by the Liquor Control Act (LCA) of Nova Scotia. The most fundamental element of the organization's role derived from the LCA is responsibility for the receipt, distribution, regulation, and control of beverage alcohol in Nova Scotia. Safe and responsible distribution and sale of beverage alcohol, including the prevention of alcohol sales to minors, is fundamental to our mandate.

The legislation states that the objects of the corporation are

1. promotion of social objectives regarding responsible drinking
2. promotion of industrial or economic objectives regarding the beverage alcohol industry in the province
3. attainment of suitable financial revenues to government
4. attainment of acceptable levels of customer service.

In relation to our legislated mandate, the board of directors is responsible for ensuring that the affairs of the corporation are administered on a commercial basis and that all decisions and actions of the board are based on sound business practices in accordance with the objects of the corporation.

We take our legislated mandate very seriously and consider it a top priority to deliver the responsibilities entrusted to us under the LCA. We make concerted efforts to be a good corporate citizen and recognize our important role in the communities we operate. We take an integrated approach to Corporate Social Responsibility that looks at what we do, how we do it, and who we interact with, while considering the impacts to accountability, community, responsibility, and sustainability.

Purpose and Vision

Purpose

To bring a world of responsible beverage enjoyment to Nova Scotia.

Vision

To be a superb retailer recognized for an engaging customer experience, and to be a valued industry partner.

We support Nova Scotians by focusing our operations and efforts on fulfilling our mandated responsibilities, and by living our purpose and vision. As a Crown corporation, we support Nova Scotians and the three priorities of the Government of Nova Scotia – people, innovation, and education – within an overall context of fiscal sustainability and delivery of our core services efficiently and effectively. All of our profits go back to the province to contribute to the ability to continue to invest in programs that provide the services that support the province's priorities.

Core Focus Areas

Over the course of our current Five Year Strategic Plan (2015/16–2019/20), we will continue on our journey of being a superb retailer, focusing our efforts on celebrating our people, the industry, and communities while helping our customers enhance life's occasions in a responsible manner.

Our customers, local industry, and our fiscal responsibilities are our key focuses, with our people and technology serving as our foundation. We approach our business by making decisions which support our focus areas while always considering our mandate, our people, and our overarching corporate social responsibilities.

Throughout all of our objectives and actions outlined below, the well-being of our employees is top of mind. Providing employees with a safe and healthy work environment, while supporting their growth and development, is key to achieving all of our strategies. Ensuring our foundation is strong is one example of our support of Nova Scotia's goals of enhancing workplace participation and health and wellness outcomes while working to improve the communities of which we are a part.

Customer

To achieve exceptional customer satisfaction through engaged and personalized experiences.

Being a customer-focused retailer has become increasingly important to keep customers engaged and satisfied. Reviewing trends and insights allows us to provide relevant and innovative product offers. The design of our retail network is based on customer demands, in an effort to keep customer satisfaction at the forefront of our activities.

Most recently we have provided product discovery/tasting guides within main product categories, helping customers take the mystery out of the bottle and providing product knowledge support to our staff. Ways to increase product knowledge continue to be expanded upon, and have been well received by customers. To demonstrate that we want to interact with customers on their terms, be it digital or one-on-one, the re-platforming of our website (myNSLC.com) has been a focus in the current fiscal year, focusing on the user experience and customer journey.

Actions for 2016–2017

- We will continue to evolve customer segmentation and integration of insights into marketing, merchandising, and retail network planning activities.
- We will also begin the implementation of additional customer experience programs to improve the customer offer.
- Additional education will be offered to our Retail Product Specialists (RPS) as they continue to proactively learn about our products and share that knowledge with their colleagues. Plans to further evolve the RPS role will be put in place to strengthen the customer experience provided by our RPS team.
- Employee training is key to providing a great work experience as well as to delivering exceptional customer service. Training will be focused on core competencies to help our employees be successful in their work.
- We will implement network diversification in our retail environment, to better serve customers and satisfy demand.

Local Industry

To provide an engaged and collaborative business environment for local producers.

The local beverage alcohol industry in Nova Scotia continues to grow and expand. Having the local industry as a key focus area highlights the importance of the sector in general for the economic development of Nova Scotia. As a business we look to support our agricultural sectors as well as private businesses, which all contribute to the economic fabric of Nova Scotia. We provide support through a variety of actions, such as reduced mark-ups for locally produced and/or bottled products, promotional activities, display space, updates to policies and/or introduction of new policies, and industry association support, to name a few. These efforts are ways of supporting entrepreneurship, which is stressed within the One NS report, helping operators of small and medium-sized enterprises within our province.

Actions for 2016–2017

- Numerous industry associations have been put in place to bring together various participants from government and the local industry to provide direction on future strategies and objectives for the industry. Work will continue over the upcoming years to provide counsel and recommend regulation and policy changes that will help the industry achieve objectives.
- The buy-local movement has been increasing in its level of support as well as overall demand by consumers. We will continue to work with the local industry to find ways to support its growth, including financial incentives that allow them to invest more into their businesses, and by directly utilizing our retail network and retail expertise to promote their available products.
- In co-operation with Alcohol, Gaming, Fuel and Tobacco, we will complete efforts on policy changes that will reduce red tape and make it easier for business owners to navigate their way through regulations and programs.
- We will assess potential for technology and business process solutions to provide efficiency and effectiveness in interactions with our various industry customers. Assessments will be done in an effort to innovate and create efficiencies for further sustainable business practices, streamlining processes and communication efforts.

Financial responsibility

To strategically maintain profitability, delivering $1.16 billion in earnings over the five years, and to demonstrate value to Nova Scotians by balancing financial objectives with other legislative mandates.

Protecting the return to Nova Scotians is at the forefront of our decision making. Economic and demographic factors play a large role in our performance. We continue to manage margin and expenses carefully, working through disciplined and sustainable management practices. We have a vested interest in supporting the province's priorities, including recommendations from the One NS report. Customer satisfaction is a driver for improved financial returns, which we manage through training and development for our employees and by providing the right products in the right place and the right time within our network.

Actions for 2016–2017

- Continue to review and refine processes, bringing efficiencies into the workplace.
- Put data strategy and governance practices in place.
- Execute on information technology infrastructure items, ensuring that our systems are protected and maintained in a fiscally responsible manner.
- Further integrate Enterprise Risk Management framework elements into business planning processes.
- Implement Year 2 of our Network Plan.
- Continue to invest in training and development for our team.
- Deliver $234 million in net income to the province.

Performance Measures

In order to manage our operations, we monitor a core set of metrics, key performance indicators (KPIs), which are tied to our actions and efforts to ensure we stay focused on delivering our goals set out in our Five Year Strategic Plan. Our corporate KPIs are as follows:

Customer

Customer satisfaction

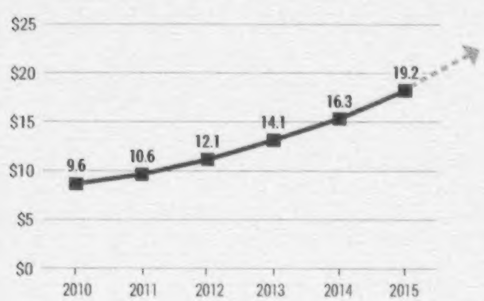
2007	2008	2009	2010	2011	2012	2013	2014	2015	Ongoing Target
83%	85%	89%	87%	86%	88%	88%	88%	90%	90%

Employee engagement

2003	2005	2008	2011	2013	2015	2020 Target
75.8	76.6	73.7	72.8	76.0	76.3	80.0

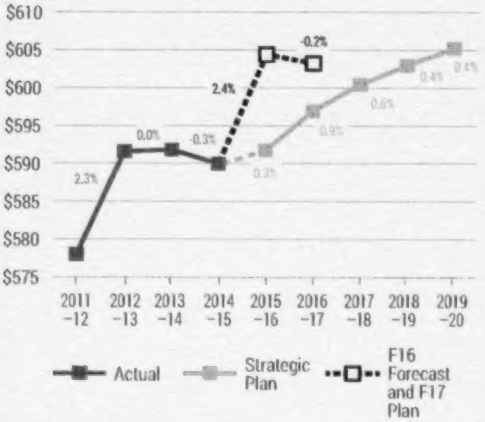
Local Industry

Nova Scotia Product Sales ($ millions)

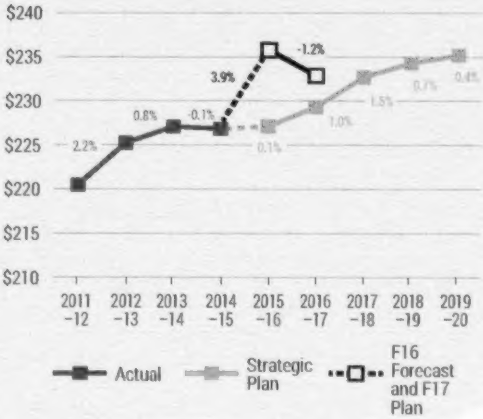


Financial

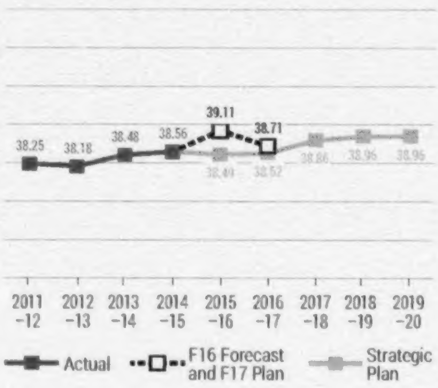
Net Sales ($ millions)



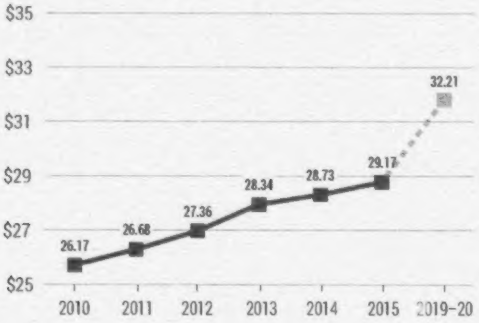
Net Income ($ millions)



Net Income as Percentage of Sales

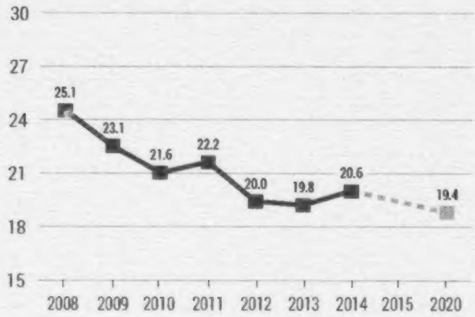


Average Retail Transaction Value



Corporate Social Responsibility

Greenhouse Gas Emissions (Total Tonnes CO_2)



Budget Context

	Actual 2012–13 ($)	Actual 2013–14 ($)	Actual 2014–15 ($)	Forecast 2015–16 ($)	Sales %	Budget 2016–17 ($)	Change %
Spirits	167,676,041	167,166,069	163,265,323	165,337,525		163,845,812	
Wine	127,699,861	133,211,335	135,160,664	141,143,332		143,476,043	
Beer	282,967,960	278,635,186	275,454,680	280,517,779		277,396,897	
Ready-to-drink	23,123,957	23,895,350	28,040,206	30,384,540		31,638,661	
Non-liquor	123,369	119,965	125,883	118,067		120,000	
Total Gross Sales	601,591,188	603,027,904	602,046,757	617,501,244	101.9	616,477,414	-0.2
Less: Discounts	8,648,296	9,861,940	10,746,737	11,756,566	1.9	11,903,980	
Net Sales	592,942,892	593,165,964	591,300,020	605,744,678	100.0	604,573,433	
Cost of Sales	268,361,767	268,001,097	263,507,143	269,823,949	44.5	271,294,881	
Gross Profit	324,581,125	325,164,867	327,792,876	335,920,729	55.5	333,278,553	
Less: Store Operating Expenses	59,787,659	60,900,062	61,281,852	61,124,965	10.1	61,137,596	
Gross Operating Profit	264,793,466	264,264,805	266,511,024	274,795,764	45.4	272,140,957	
Less: Supply Chain	6,654,040	6,762,224	6,922,635	7,028,520	1.2	7,017,253	
Corporate Services	24,552,262	23,618,485	24,860,627	24,649,968	4.1	25,093,501	
Other Expenses	2,595,455	1,139,452	2,694,644	2,416,621	0.4	2,297,512	
Add: Other Revenue	5,446,049	5,148,656	5,321,491	5,444,520	0.9	5,580,514	
Total Expenses (excl. stores)	28,355,708	26,371,505	29,156,416	28,650,589	4.7	28,827,752	
Op. Income before Depreciation	236,437,758	237,893,300	237,354,609	246,145,175	40.6	243,313,205	
Less: Depreciation	10,051,599	9,647,840	9,368,127	9,225,000	1.5	9,290,660	
Income from Operations	226,386,159	228,245,460	227,986,481	236,920,175	39.1	234,022,545	-1.2
Actuarial Loss	2,125,182	(2,295,500)	2,123,100				
Comprehensive Income	224,260,977	230,540,960	225,863,381	236,920,175	39.1	234,022,545	-1.2
Total Expenses (not depr'n)	88,143,367	87,271,567	90,438,268	89,775,555	14.8	89,965,348	
Total Expenses	98,194,966	96,919,407	99,806,395	99,000,555	16.3	99,256,008	
Volume (hectolitres)					Change %		Change %
Spirits	50,629	49,085	48,872	49,181	0.6	48,540	-1.3
Wine	91,104	92,901	93,250	96,724	3.7	97,742	1.1
Beer	630,688	607,852	594,402	595,898	0.3	584,561	-1.9
Ready-to-drink	32,286	32,547	39,362	42,794	8.7	44,775	4.6
Total	804,707	782,385	775,886	784,597	1.1	775,618	-1.1

* Historic sales numbers have been adjusted to reflect a reallocation of a portion of sales dollars to a reduction in cost of sales. This has resulted in no change in the income from operations for these years.

** Historic expense numbers have been adjusted to reflect a reallocation of credit card fees causing a reduction in other expenses and an increase in store operating expenses. This has resulted in no change in the income from operations for these years.

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2016–2017

Nova Scotia Municipal Finance Corporation

NOVA SCOTIA

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Message from the Minister and the Chair

The Nova Scotia Municipal Finance Corporation (NSMFC) is a Crown corporation of the Province of Nova Scotia. The MFC was established by the Municipal Finance Corporation Act in 1979 and began business in January 1980. The Minister of Municipal Affairs is responsible for the corporation.

NSMFC's purpose is to provide financing at the lowest cost possible to its clients, including municipalities, municipal enterprises, school boards, and health authorities. In accordance with the Municipal Finance Corporation Act, all municipalities and municipal enterprises must finance their external capital requirements through the corporation. Currently, most school board and hospital capital expenditures are financed directly by the province.

In addition to its core mandate, NSMFC works directly with clients to support the sound financial management of Nova Scotia municipalities. Staff provides advice on the debenture process and securing temporary borrowing resolutions. The corporation has also developed tools, such as the Debt Affordability Model and Financial Management Best Practices, to help municipalities improve their financial planning and capacity. Finally, by using its biennial client surveys to measure the success of its programs and services, the corporation is able to identify and respond to ongoing client needs. As throughout its 36-year history, NSMFC remains committed to fostering a client-focused approach.

The NSMFC is forecasting to have over $818.9 million in debentures outstanding at March 31, 2016. New debenture issues in 2016–2017 are estimated to be approximately $136.1 million, which will be balanced against debenture retirements of $106 million.

The corporation is governed by a board of directors appointed by the Governor in Council. Legislation requires that two of the board members be appointed on the recommendation of the Union of Nova Scotia Municipalities. An additional member of the board is appointed on the recommendation of the Association of Municipal Administrators of Nova Scotia (AMA). These appointments provide municipalities with an important voice on the MFC board. Three full-time staff members of the corporation are supported through staff and resources from the provincial Departments of Finance and Treasury Board, Justice, and Municipal Affairs.

The Honourable Zach Churchill
Minister

Dan McDougall
Chair, NSMFC

Mission

The purpose of the Nova Scotia Municipal Finance Corporation (NSMFC) is to provide the lowest cost of financing available to its clients, which include municipalities, municipal enterprises, school boards, and health authorities. In accordance with the Municipal Finance Corporation Act, all municipalities and municipal enterprises must finance their external capital requirements through the corporation. Currently, most school board and hospital capital expenditures are financed directly by the province.

In addition to its core mandate, NSMFC works directly with clients to support the sound financial management of Nova Scotia municipalities. Staff provides advice on the debenture process and securing temporary borrowing resolutions. The corporation has also developed tools, such as the Debt Affordability Model (DAM) and Financial Management Best Practices, to help municipalities improve their financial planning and capacity. Finally, by using its biennial client surveys to measure the success of its programs and services — the results of which are reported in this business plan — the corporation is able to identify and respond to ongoing client needs. As throughout its 36-year history, NSMFC remains committed to fostering a client-focused approach.

Alignment with Government's Priorities

People

NSMFC continues to be able to borrow under the Province of Nova Scotia's provincial guarantee, which provides greater borrowing predictability and stability. The province's General Revenue Fund has purchased all NSMFC debt issues since 1998 and is expected to continue to do so in the future.

Outcome to be achieved: Building and maintaining infrastructure creates jobs; allows local businesses to transport goods to market; connects Nova Scotians to vital services, employment, and education; and leads visitors to every corner of the province.

Goals:

- Provide capital infrastructure financing to clients at the lowest available cost, within acceptable risk parameters, and provide financial management advice and assistance to clients.

Actions:

To achieve success, NSMFC will

- continue to borrow under the Province of Nova Scotia's provincial guarantee, generating the lowest possible costs for our clients

Performance measures:

- 95% client satisfaction rate with the timing of debenture issues
- 95% client satisfaction rate with the debenture terms and structure flexibility

- Regular review of loan procedures
- Maintaining credit enhancement through access to the provincial guarantee

Innovation

Using the new $50 million line of credit from the Department of Finance and Treasury Board to fund the short-term loan program will allow for greater capacity to help fund the cash flow requirements of municipalities between the completion of capital projects and the issuance of debentures.

Outcome to be achieved: Provide short-term borrowings to clients, at the lowest available cost, between the completion of capital projects and the issuance of debentures.

Goals:

- Enhance the financial health of communities in Nova Scotia.

Actions:

To achieve success, NSMFC will

- continue to promote the improved short-term loan program as a means to assist clients' lower interest costs between the completion of capital projects and the issuance of debentures

Performance measures:

- 10% of clients accessing the short-term loan program

Education

Opportunities exist to work with local governments to achieve North American standards in municipal financial management capacity through the adoption of recommended best practices.

Outcome to be achieved: Healthy vibrant communities.

Goals:

- Support good governance by promoting accountability, transparency, value for money, and risk management.

Actions:

To achieve success, NSMFC will

- continue to promote the development and implementation of best practices

Performance measures:

- 40% of clients using the Financial Management Best Practices

Continue to promote the municipal use of the Debt Affordability Model (DAM), and provide technical support for municipal administrators. The model can also be used by municipalities for multi-year budgeting and forecasting and analyzing revenue and expenditure options.

Outcome to be achieved: Healthy vibrant financially sustainable communities.

Goals:

- Improve support in the budgeting process.
- Enhance the health of communities in Nova Scotia.

Actions:

To achieve success, NSMFC will

- continue to promote the use of the DAM as a tool that benefits multi-year budgeting and forecasting
- continue to provide technical support to municipal administrators who use the model

Performance measures:

- 60% of clients using the DAM

Sponsor and assist in planning training workshops aimed at enhancing the overall knowledge of municipal finance and budgeting for municipal staff and councillors.

Outcome to be achieved: Knowledgeable municipal staff and councillors in the area of municipal finance and budgeting to assist in making financial decisions creating healthy, vibrant, financially sustainable communities.

Goals:

- Improve support in the budgeting process.
- Enhance the health of communities in Nova Scotia.

Actions:

To achieve success, NSMFC will

- continue to support the Municipal Finance Officers spring and fall workshops
- participate in preparing the agenda for each workshop
- continue to support the Union of Nova Scotia Municipalities fall conference
- continue to sponsor a municipal finance officer to attend the Government Finance Officers of America conference

Performance measures:

- 80% of capacity attendance at workshops

Core Business Areas

1. Providing Flexible Financing Options at the Lowest Available Cost

- Provide financing for clients' approved funding requirements by using pooled debenture issues and short-term loans.
- Facilitate and participate in loans to municipalities from financing sources such as the Federation of Canadian Municipalities Green Municipal Fund, where funding is available for projects meeting established criteria at below-market rates.

2. Ensuring Access to Capital Markets

- Ensure that appropriate processes are in place for evaluating the credit-worthiness of the loans made by the corporation.
- Ensure that the corporation's assets and liabilities are closely matched in both amount and maturity.
- Administer the corporation's financial resources prudently to ensure that the corporation's administrative expenses and reserve balances are within approved policies.

3. Helping Build Financial Management and Knowledge

- Partner with municipal clients, the Department of Municipal Affairs, and the Association of Municipal Administrators on the topic of capital planning and finance.

- Develop programs and services geared toward enhancing our clients' knowledge of capital planning and financing.
- Maintain links with the investment community, public sector finance practitioners, and academics, and carry out research as required to enable the corporation to respond to changing client needs.

Budget Context

Nova Scotia Municipal Finance Corporation Administration Budget

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Total program expenses (gross current)	572.2	459.2	475.0
Net program expenses (net of recoveries)*	0.0	0.0	0.0
Salaries and benefits	387.7	314.9	297.8
Funded staff (gross FTEs)	4	3	3

* The NSMFC is completely self-funded. The costs of administration are covered through an administrative fee that is levied on all municipal loans and from interest revenue earned on investments.

NSMFC Statement of Financial Position, March 31, 2015

Financial assets	($)
Cash and cash equivalents	7,308,963
Accrued interest receivable	9,824,171
HST receivable	674
Accounts receivable	5,594
Loans to municipal units	815,314,249
Total assets	**832,453,651**
Financial liabilities	
Accounts payable	39,865
Accrued interest payable	9,816,706
Employee obligations	80,477
Short-term loan due to PNS	660,000
Debentures	815,280,085
Total liabilities and equity	**825,877,133**
Net financial assets	**6,576,518**
Accumulated surplus	**6,576,518**

NSMFC Statement of Operations, year ended March 31, 2015

	Estimate 2015 ($)	Actual 2015 ($)
Revenue		
Interest on loans to units	31,661,915	30,916,294
Interest on short-term investments	68,526	73,575
Recovery of issue cost	422,000	364,971
Administration fee	501,820	462,513
Total revenue	32,654,261	31,817,353
Expenses		
Interest on debenture debt and short-term loans	31,660,039	30,916,968
Debenture issue expense	404,140	367,409
Administrative expense	581,491	544,217
Total expenses	32,645,670	31,828,594
Annual operating surplus (deficiency)	8,591	(11,241)
Accumulated surplus, beginning of year	6,587,759	6,587,759
Accumulated surplus, end of year	6,596,350	6,576,518

Outcomes and Performance Measures

Core Business Area 1 *Providing Capital Financing at the Lowest Available Cost*

Outcome	Measure	Data	Target: 2016–17	Target: 2017–18	Strategies to Achieve Target
Provision of lowest available cost of financing to clients in a timely manner	Percentage of clients that are satisfied with the timing of debenture issues	96% (2015 client survey results)	97%	95%	Align debenture issues with the construction completion schedule and capital budgeting process. Improve application process by working with clients to ensure quick processing of debenture documents.
	Percentage of clients that agree the debenture terms and structure are flexible enough to meet their needs (client survey)	88% (2015 client survey results)	95%	95%	Promote short-term financing program. Work with clients on financing options (payments and terms). Communicate financing options more effectively (e.g., through the website and consultations). Communicate NSMFC rates and products more effectively with clients (e.g., through the AMA list server and consultations).
	Quality of credit loans	Procedures ensure creditworthiness of loans	Regular review of loan procedures	Regular review of loan procedures	Maintain quality of portfolio.
	Pricing received from lead managers in relationship to the Province of Nova Scotia's cost of funds	Provincial guarantee allows the NSMFC to price off the Province of Nova Scotia spread	Maintain access to the provincial guarantee	Maintain access to the provincial guarantee	Promote profile of NSMFC credit quality to maintain a strong relationship with government to ensure its support of the provincial guarantee.

Core Business Area 2 *Ensuring Access to Capital Markets*

Outcome	Measure	Data	Target: 2016–17	Target: 2017–18	Strategies to Achieve Target
A sustainable source of funding is available from clients to ensure the operational viability of the corporation	Client default rate	0%	0%	0%	Ensure that all loans are creditworthy. Promote the Debt Affordability Model. Monitor loan payment process.
	Matching assets and liabilities Matching of aggregate amounts, terms, and timing of debentures and loans	Assets are closely matched to term and timing	Maintain matching strategy	Maintain matching strategy	Match the term and timing of NSMFC debentures and loans to clients.

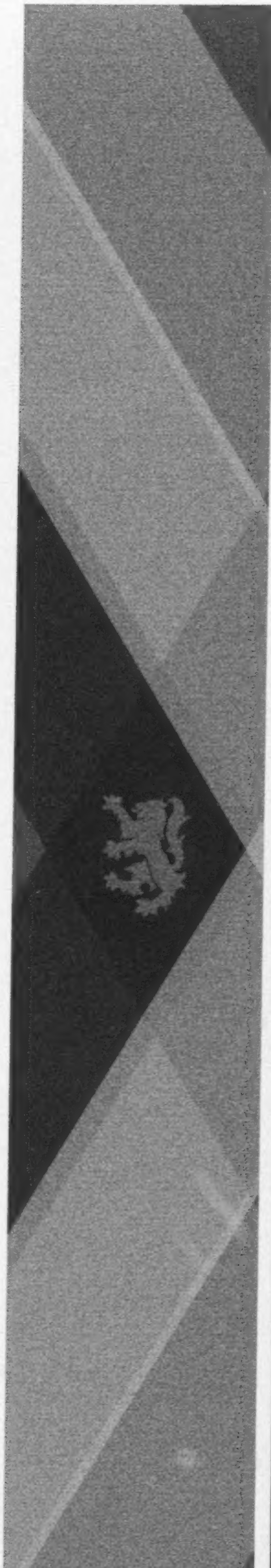
Core Business Area 3 *Helping Build Financial Management Knowledge*

Outcome	Measure	Data	Target: 2016–17	Target: 2017–18	Strategies to Achieve Target
NSMFC client use of the Debt Affordability Model	Percentage of municipal clients that have used the Debt Affordability Model	50% (2015 client survey results)	60%	60%	Work with clients to help them implement the Debt Affordability Model. Tailor Debt Affordability Model to better suit the needs of clients.
NSMFC client use of the Financial Management Best Practices	Percentage of municipal clients that have used the Financial Management Best Practices	29% (2015 client survey results)	40%	40%	Work with clients to help them implement best practices of their choice. Implement Core Best Practices in Town of Middleton. Promote pilot.
Increased overall municipal finance knowledge among municipalities	Attendance at NSMFC-sponsored Municipal Finance Workshops	65% (percentage of municipalities represented at workshops)	80%	80%	Assist in planning the agenda of the workshops. Promote the workshops more effectively to municipal staff and council members. Maintain the no-fee structure to attend the workshop.
Increased knowledge of NSMFC programs and services	Percentage of municipal clients that are aware of NSMFC programs and services	85% (2015 client survey results)	95%	95%	Update and revitalize website. Develop web-based programs, such as webinars. Use email to communicate with Directors of Finance to keep them informed about NSMFC's programs and services. Obtain greater exposure to municipal councils to promote programs and services.

Crown Corporation Business Plans

2016–2017

Nova Scotia Power Finance Corporation



NOVA SCOTIA

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Mandate

Nova Scotia Power Finance Corporation (NSPFC) works to ensure that the debt of Nova Scotia Power Corporation (NSPC), which is guaranteed by the Province of Nova Scotia, is discharged in an orderly and timely manner.

By way of background, under an Asset Transfer Agreement, dated August 10, 1992, NSPC transferred all of its existing assets, liabilities, and equity, except for long-term debt and related sinking funds, to the privatized company Nova Scotia Power Inc. (NSPI) in exchange for matching notes receivable equivalent to the outstanding long-term debt, matching notes payable equivalent to sinking fund assets, and an amount of fully paid common shares. The common shares were sold in a secondary offering on August 12, 1992. Subsequent to the reorganization and privatization, the business activities of NSPC continued under NSPI. Concurrently, the Nova Scotia Power Corporation changed its name to NSPFC.

NSPFC retained the long-term debt, which is guaranteed by the Province of Nova Scotia, and the related sinking funds. The entire original debt of $2,152,879,732 in Canadian dollars, guaranteed by the province, was offset by sinking fund assets, and the balance was defeased, as per the agreed schedule and terms of the Defeasance Agreement at December 31, 1997. The process of ensuring cash and/or bonds sufficient to service and retire all outstanding NSPC debt guaranteed by the province as the debt comes due is known as *defeasance*.

In terms of the Nova Scotia Power Reorganization (1998) Act, NSPI was reorganized as a holding company, NS Power Holdings Inc., in December 1998. The holding company structure does not change the underlying obligations under the existing agreements. The holding company changed its name to Emera Incorporated on July 10, 2000.

As noted above, the sole mandate of NSPFC is to monitor the adequacy of the defeasance asset portfolio and to ensure the repayment of all NSPC debt, guaranteed by the Province of Nova Scotia, at the respective dates of each debt maturity.

Link to Government's Priorities

Overall Objective: Fiscal Sustainability

Fiscal sustainability is critical to the success of government initiatives and the delivery of public services. The government's spending choices and service offerings must fit with the economy's capacity to afford them.

NSPFC supports the achievement of government priorities by continuing to monitor the adequacy of the defeasance asset portfolio in order to ensure there are sufficient assets available within the portfolio to be used toward repayment of all NSPC debt, guaranteed by the Province of Nova Scotia, as at the respective dates of each debt maturity.

In this way, the work of NSPFC enables government to meet its priorities to maintain the capacity to support public services in Nova Scotia.

Fiscal Sustainability: Goals and Actions

NSPFC's strategic goals for the fiscal year 2016–2017 and key actions are as follows:

- To continue to monitor the adequacy of the defeasance portfolio and to ensure continuing progress toward elimination of NSPC debt guaranteed by the Province of Nova Scotia and defeased by NSPI.
- To review the defeasance assets to ensure that the defeasance program is positioned such that any potential capital losses are minimized and that there is a very high likelihood of the program achieving its goals.
- The outstanding debt continues to be offset by cash and/or bonds sufficient enough to service and retire all outstanding NSPC debt, guaranteed by the province, as the debt comes due in accordance with the terms of the Defeasance Agreement.

Core Responsibilities

NSPFC continues to be on target to meet its mission objective, outlined above, during the course of the current planning horizon.

Action	**Performance Measure**
Entire outstanding debt defeased in accordance with the Defeasance Agreement.	• The Defeasance Agreement required the defeasance of a minimum of $1,381,600,000 of outstanding NSPC debt by December 31, 1997. This minimum has already been met and surpassed, $1,440,290,000 having been defeased by March 31, 1997. Public reporting of interim financial results is through public forecast documents.
Defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the Province of Nova Scotia.	• Outstanding par value of debt as at March 31, 2015, was $350,000,000 denominated in Canadian dollars, and US issued par value of debt was $380,490,000 in Canadian dollars. Defeased assets as at March 31, 2015, had par values in excess of the outstanding par value of debt. • As at March 31, 2015, Canadian long-term debt had market values of $629,199,000, and U.S. debt had market values of $527,082,000 in Canadian dollars. Canadian assets had market values of $632,915,000, and U.S. assets had market values of $527,545,000 in Canadian dollars, thus rendering the guaranteed debt fully defeased. • The adequacy of defeasance assets to fully repay all of the outstanding NSPC debt guaranteed by the province is verified by the auditing firm KPMG.

Inputs

NSPFC has no employees. NSPI executes necessary transactions to create and maintain the defeasance portfolio. The monitoring of NSPI debt defeasance is performed by a board of directors, appointed by the Government of Nova Scotia, with staff support from the Nova Scotia Department of Finance and Treasury Board. The accounting firm KPMG verifies that the defeasance assets arranged by NSPC are sufficient to fully defease the outstanding NSPC debt guaranteed by the province. Under the terms of the privatization agreements, NSPI is responsible for the payment of all NSPFC expenses.

Crown Corporation Business Plans
2016–2017

Nova Scotia Provincial Lotteries and Casino Corporation

NOVA SCOTIA

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Message from the Minister, the Chair, and the President and CEO

We are pleased to present the Nova Scotia Provincial Lotteries and Casino Corporation (NSPLCC) business plan for 2016–2017. The plan focuses on our commitment to offer a gambling industry that is well regulated, yet fun and entertaining, and provides Nova Scotians with tangible benefits. This plan is about making Nova Scotia a better place by being a significant contributor to the province, its communities, and good causes that are important to Nova Scotians.

NSPLCC's mandate is to operate the gambling industry in a manner that is accountable, sustainable, and socially responsible. NSPLCC will continue to offer first-class, responsible gambling programs to Nova Scotians. One hundred per cent of the profits from regulated gambling are used by government to fund priority programs and services. NSPLCC and its operators are proud to be key contributors to the Nova Scotia economy.

NSPLCC is a passionate supporter of a healthy and vibrant province, and the 2016–2017 business plan links a progressive business culture with a commitment to giving back to communities across Nova Scotia. Through the *Support4Sport* program, Nova Scotians have raised more than $27 million to support local athletes, coaches, officials, and community sport organizations since its inception in 2006. This program is now the largest contributor to sport in Nova Scotia and reflects a longstanding historical link between gambling and sport. Modelled on the success of the *Support4Sport* program, NSPLCC launched *Support4Culture* in 2013, a program that has already contributed $4 million to support the arts, culture, and heritage sectors.

NSPLCC's plan for 2016–2017 highlights its strategies to achieve responsible economic returns in an environment where there is increasing competition from both regulated and non-regulated gambling options. NSPLCC is committed to offering Nova Scotians a socially responsible and economically sustainable gambling industry.

Respectfully submitted,

The Honourable Michel Samson
Minister responsible for Part I of the Gaming Control Act

Kelliann Dean
Chair, Board of Directors

Robert MacKinnon
President and CEO

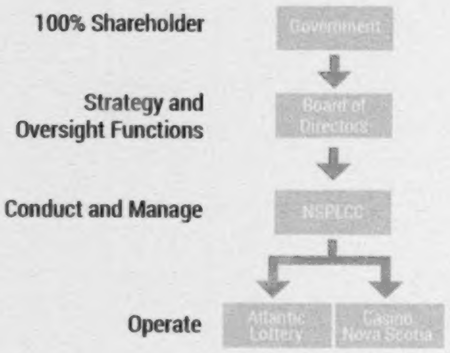
Mission

The Nova Scotia Provincial Lotteries and Casino Corporation's mission is to offer trusted and entertaining responsible gambling experiences, optimizing the benefits for Nova Scotians.

Organization Mandate

The Nova Scotia Provincial Lotteries and Casino Corporation (NSPLCC) is responsible for managing the regulated gambling industry in the province. It is a Crown corporation governed by Part I of the Gaming Control Act, and it is charged with leading an economically sustainable and socially responsible gambling industry for the benefit of Nova Scotians and their communities. NSPLCC works hard to meet the needs of its citizens and to earn their trust. NSPLCC's vision is to have a gambling industry Nova Scotians are proud of and enjoy.

NSPLCC's role is to ensure that the gambling industry is socially responsible, while generating reasonable profits, which go directly to help the provincial government pay for important programs and services. In carrying out this role, NSPLCC oversees and manages its operators, Atlantic Lottery Corporation (ALC) and Casino Nova Scotia (CNS), who carry out the day-to-day business on NSPLCC's behalf. The Nova Scotia Government, and ultimately the people of Nova Scotia, are the shareholders and owners of the gambling industry.



The public demands that government offer regulated gambling in a socially responsible manner, and Nova Scotians have the right to expect the highest ethical standards, unwavering integrity, and social and fiscal accountability from NSPLCC. Corporate social responsibility is a critical part of NSPLCC, and its commitment to being socially responsible means giving players the information they need to play responsibly, ensuring the integrity of the industry and giving back to Nova Scotia communities.

Alignment with Government's Priorities

NSPLCC contributes to the province and its citizens in a number of notable ways. The economic benefits are considerable. While these benefits are substantial, managing the business in a socially responsible manner is paramount.

Each year, 100 per cent of NSPLCC's profits are delivered back to the province and provide significant benefits to all Nova Scotians through the funding of provincial programs and services, including education, transportation, and health. In 2016–2017, NSPLCC will provide $141.6 million to continue to fund essential provincial programs and services. The gambling industry also creates and supports jobs employing approximately 540 people and injecting more than $39.3 million in retail commissions into local Nova Scotia businesses. With a mandate to deliver 100 per cent of the profits from regulated gambling to support important government programs and services, NSPLCC and its operators are proud to be key contributors to the Nova Scotia economy and a source of funding for government.

Government has identified three strategic priorities – *People*, *Innovation*, and *Education* – within the overall context of fiscal sustainability and delivering core services efficiently and effectively. NSPLCC's plan and strategic priorities for 2016–2017 are aligned with this direction in the following areas.

People

NSPLCC will lead a socially responsible and economically sustainable gambling industry for the benefit of Nova Scotians and their communities. As part of this accountability, NSPLCC will put social responsibility first. That means keeping gambling entertaining, fun, safe, and responsible. This requires conducting business with sensitivity to all people and understanding how some are impacted by what NSPLCC does.

Goal

Provide socially responsible gambling experiences by promoting safe play and informed decisions.

For NSPLCC, responsible gambling is about fostering an environment that promotes safe play and informed decisions. This means upholding high standards and providing a safe and entertaining player experience, delivering effective responsible gambling programs, assessing products and promotions, making information available to people so they can make informed decisions about their play, and making sure help is available for those who need it.

2016–2017 Action Plan

To achieve this goal, NSPLCC will

- seek out and follow best practices to promote and encourage responsible gambling
- leverage research and third-party experts in the development and delivery of programs to ensure that they promote informed decision making
- empower Nova Scotians with the information they need to make informed decisions if they choose to gamble, and identify where they can get help should problems arise
- not introduce any new games in Nova Scotia unless they meet rigorous social responsibility requirements and responsible gambling standards
- support Nova Scotia communities through programs like *Support4Sport* and *Support4Culture* and through *Support4Community* events that help build fundraising capacity for charitable organizations
- recognize its employees as citizens of the province and encourage them to make contributions to the communities in which they live
- continue to provide funding ($5.4 million in 2016–2017) to the Department of Health and Wellness, the experts in prevention programming, and assist those affected

by problem gambling by ensuring that help is available when needed.

Innovation

NSPLCC is the only gambling organization in Nova Scotia that combines regulatory management, social responsibility, and revenue generation. Competitive analysis indicates that if NSPLCC maintains the status quo, its customer base and resultant revenue will decrease with the continued migration of players to other competitive offerings. In order to responsibly grow the customer base and sustainable revenue, NSPLCC must innovate and be more creative and strategic in its pursuit of new business opportunities.

Goal

Achieve a sustainable gambling industry by capitalizing on opportunities.

NSPLCC will pursue constant improvement and innovations within its existing business lines to maintain appeal of the core products and satisfaction of longstanding customers. NSPLCC will continue to invest in bringing new, responsible products to Nova Scotia. NSPLCC will provide gambling products to Nova Scotians that are fun and entertaining, are innovative and new, offer fair prizing and chances of winning, and are responsible and highly regulated.

2016–2017 Action Plan

To achieve this goal, NSPLCC will

- demonstrate the tangible benefits of gambling to Nova Scotians
- modernize the gambling industry to become more fun, entertaining, and competitive with non-regulated product offerings already available to Nova Scotians
- re-think, reboot, and re-launch the Casino offering.

Core Responsibilities

NSPLCC will continue to execute on its core business functions in an effective and efficient manner.

Operations Management

NSPLCC will continue to effectively manage its various businesses: ticket lottery, video lottery, and casinos. There are three key elements under this activity:

Operator management – Effectively oversee NSPLCC's operators, ALC and CNS, to ensure that there is alignment of efforts and that initiatives are completed as planned. Ensuring that operators offer products that are fun and entertaining, as well as socially responsible in an environment of security and integrity, is a key objective.

Risk management and quality control – Proactively manage risks and employ effective quality control processes of NSPLCC and its operators' day-to-day activities and the business environments in which they operate.

Compliance management – This critical component of NSPLCC's mandate requires that all its business activities and those of its operators conform to applicable legislation, regulations, contracts, and policies. Careful and successful oversight of operations allows NSPLCC to ensure that the industry is managed to the highest standards of integrity, public confidence, and security.

Responsible Industry Development

NSPLCC focuses on initiatives that will develop a balanced and socially responsible industry that is sustainable and benefits all Nova Scotians. There are three aspects to this activity:

Policy and planning development – Continue to responsibly manage the business to provide a net positive benefit to Nova Scotians aligned with the province's objectives for gambling.

Responsible product implementation – NSPLCC makes evidence-based decisions in assessing changes to the products and environments in which gambling is offered.

Social responsibility – Nova Scotia leads responsible gambling programming and continues to be among the most socially responsible gambling jurisdictions in the world. NSPLCC will continue to offer responsible gambling initiatives that promote awareness, education, and informed choice for all Nova Scotians.

Budget Context

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Sales			
Casinos	$77,000	$77,500	$76,800
Ticket lottery	213,300	227,800	221,200
Video lottery	117,500	133,300	144,600
Total sales	407,800	438,600	442,600
Cost of sales	282,700	299,400	299,900
Gross profit	125,100	139,200	142,700
Expenses			
Responsible Gambling programs	6,900	6,500	7,400
Commitments to community programs	6,900	7,800	7,600
Total expenses	13,800	14,300	15,000
Net income	111,300	124,900	127,700
Casino win tax	13,900	14,000	13,900
Payment to province	125,200	138,900	141,600

Outcomes and Performance Measures

Outcome	Indicators	Measures	Baseline	Target 2016–17	Long-term Target 2019–20	Strategies and Initiatives 2016–17
Nova Scotia has an economically sustainable and socially responsible gambling industry.	The province has a sustainable source of revenue from gambling to help pay for programs and services.	Gross sales	4-year average (2011 to 2015) $408.6 million	$442.6 million	$444.3 million	Continue to provide relevant and engaging products to players in a safe and regulated environment.
	Government has reduced reliance on revenue from VLTs.	Payment to province	4-year average (2011 to 2015) $131.8 million	$141.6 million	$141.1 million	Ensure that operators are meeting business plan objectives.
	NSPLCC supports small businesses throughout the province through commissions to retailers.	Video lottery as % of total provincial revenue	2010–11: 0.91%	0.82%	0.82%	Remove VLTs through natural attrition and grow revenue from other business lines (e.g., Ticket Lottery).
		Commission paid to retailers	2010–11: $39.8 million	$39.3 million	$40.5 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model.
Nova Scotia has a socially responsible gambling industry, players have the information they need to play responsibly, and games remain entertaining, safe, and fun.	Nova Scotians are aware of appropriate responsible gambling behaviours.	% of public that can cite two responsible gambling behaviours	2008–09: 16.1%	25%	25%	Execute responsible gambling and public awareness programs.
	Nova Scotians are aware of and support NSPLCC's support for responsible gambling programs.	% of public that support NSPLCC's commitment to responsible gambling	2007–08: 68%	75%	75%	

Outcomes and Performance Measures

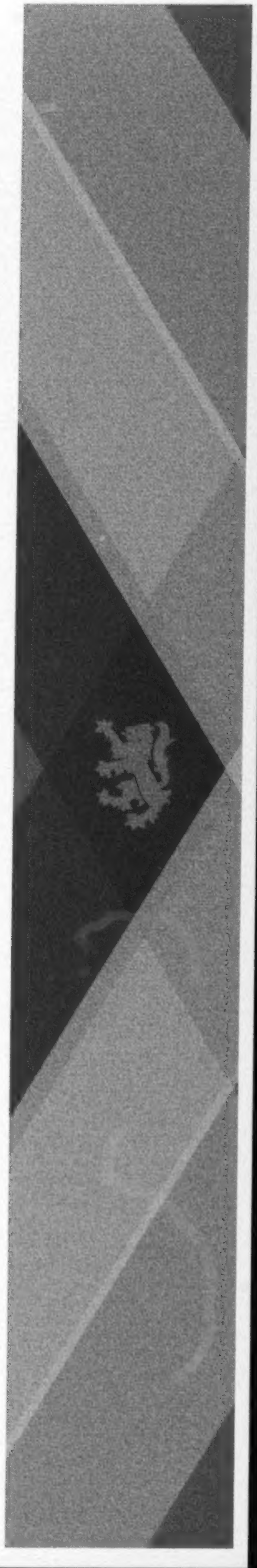
Outcome	Indicators	Measures	Baseline	Target 2016–17	Long-term Target 2019–20	Strategies and Initiatives 2016–17
Nova Scotia's gambling industry is trusted and supported.	NSPLCC's response time to routine access request for information.	% of routine access requests responded to within two business days	100%	100%	100%	Employ sound operations management.
	Nova Scotians are in favour of regulated gambling.	% support for regulated gambling	2006–07: 11%	51%	70%	Execute initiatives in the Social Responsibility business plan.

Crown Corporation Business Plans

2016–2017

Sydney Steel Corporation

NOVA SCOTIA



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Message from the President

The Honourable Geoff MacLellan
Minister Responsible for Sydney Steel Corporation Act
Government of Nova Scotia
Halifax, Nova Scotia

Dear Minister:

In accordance with government policy, please find enclosed the business plan of Sydney Steel Corporation (Sysco) for the fiscal year ending March 31, 2017.

With the decommissioning of the steel plant complete and site remediation activities in the final stages, Sysco has only limited activities relating to a few outstanding obligations resulting from its former operations.

Redevelopment of the former Sysco site by the Crown corporation Nova Scotia Lands Inc. is now well advanced toward a premium commercial park and port facility in the centre of the city of Sydney.

We trust that this limited business plan is satisfactory for the fiscal year ahead.

Yours truly,

Gary Campbell
President, Sydney Steel Corporation

Mandate

Sysco's primary activities, subsequent to the closure of the steel mill in 2001, included demolition of structures, processing and sale of scrap steel, remediation of the site, and sale of surplus assets.

During fiscal 2007–2008, it was recognized that the mandate of Sysco was undergoing a significant change. In recognition of this change, it was determined that the future activity of remediation of the Sysco property and its redevelopment as a commercial park facility would be conducted by a new agency, Nova Scotia Lands Inc., purposely designed to meet the property remediation and management role.

Therefore, Sysco will continue to be dormant, with ongoing operations contracted to Nova Scotia Lands Inc. Sysco will remain active only to deal with residual issues arising from historic operations.

Core Responsibilities

The plan for Sysco during the 2016–2017 fiscal year is to continue to wind up activities and have the corporation remain dormant. Liabilities still exist for long term maintenance, monitoring and redevelopment as slag is quarried and product sold.

Key Actions:

a. Turn over remaining Phase IV and V property to HCPI.

b. Continue quarrying slag.

Budget Context

	Estimate 2015–16 ($ 000)	Forecast 2015–16 ($ 000)	Estimate 2016–17 ($ 000)
Revenues			
Contribution from the province	1,556	1,293	1,325
Gain on sale of assets and land sales	1,000	0	1,000
Interest income, miscellaneous revenue	5	5	5
Total revenue	**2,561**	**1,298**	**2,330**
Expenses			
Other remediation activities	100	100	100
Consulting	400	333	400
Funding to NSLI for remediation activities	1,061	865	825
Total expenses	**1,561**	**1,298**	**1,325**
Net income (loss)	**1,000**	**0**	**1,005**

Crown Corporation Business Plans

2016–2017

Tourism Nova Scotia

NOVA SCOTIA

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Message from the Chair

It is an important time for Nova Scotia's tourism industry as we work to double tourism revenues to $4 billion by 2024 – a goal set out in the *Now or Never* report, produced in 2014 by the Nova Scotia Commission on Building Our New Economy.

Last April, in response to this goal, government created Tourism Nova Scotia as a private sector–led provincial Crown corporation with a mandate to drive tourism growth in Nova Scotia and foster a more globally competitive tourism industry.

Tourism Nova Scotia has developed a strategic plan for the organization that articulates how it will align resources and prioritize opportunities to drive sustainable growth and lead the tourism industry toward the $4 billion revenue goal. The plan focuses on four key strategies:

- Attract first-time visitors to Nova Scotia.
- Invest in markets of highest return.
- Focus on world-class experiences.
- Build tourism confidence.

Tourism Nova Scotia's 2016–2017 business plan aligns with these strategies and outlines the actions the organization will take to deliver successful outcomes.

It gives me great pleasure to present Tourism Nova Scotia's 2016–2017 business plan. We look forward to working together with industry and stakeholders to drive strong, measurable results.

Sincerely,

Ben Cowan-Dewar
Chair of the Board, Tourism Nova Scotia

Mandate

The Tourism Nova Scotia Act, passed on May 4, 2015, states the objects of the corporation are to

- achieve tourism growth in the province and maximize the value of tourism to the economy of the province
- develop and implement a long-term strategy for tourism to drive sustainable tourism in the province that delivers growth and profitability in the tourism sector, provides economic benefit to the province, and is consistent with the province's strategic priorities
- communicate and collaborate with communities, private industry, and the tourism industry in the province

Planning Context

Twice the Challenge. Twice the Opportunity.

"We can't keep doing what we have always done. Government needs to get out of the way and let the private sector lead . . . the creation of a Crown corporation will position us well to double our tourism revenues from $2 billion to $4 billion annually."

> (Source: "Private Sector to Lead Tourism Growth," press release, Finance and Treasury Board Minister Diana Whalen, March 25, 2015.)

The *Now or Never: An Urgent Call to Action for Nova Scotians* report is the foundation for the Nova Scotia Government's Framework for Private Sector Growth. This report identifies several economic development goals to be achieved by 2024. The report acknowledges the importance of the tourism industry as a contributor to economic growth in the province, and issues a challenge to the Nova Scotia tourism industry to double tourism revenues from the 2010 level of $2 billion to $4 billion by 2024.

Goal #14: Tourism Expansion. "As Nova Scotia's leading source of service sector exports, gross business revenues from tourism will reach $4 billion."

> (Source: Nova Scotia Commission on Building Our New Economy. *Now or Never: An Urgent Call to Action for Nova Scotians*, 2014.)

Following its emergence as a Crown corporation in 2015, Tourism Nova Scotia embarked on a strategic planning exercise. Its strategic plan, unveiled in November 2015, represents an evolution of 2013's *A Tourism Strategy for Nova Scotia*, which was developed under Nova Scotia Tourism Agency's mandate.

The strategic plan identifies Tourism Nova Scotia's and key stakeholders' roles, and Tourism Nova Scotia's strategies to support the industry goal to reach $4 billion in tourism revenues by 2024. Tourism Nova Scotia's strategic plan aligns with key government priorities and the Government's Framework for Private Sector Growth, and it underpins the corporation's 2016–2017 business plan.

Alignment with Government's Priorities

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable, modern government.

Government goal: Create the climate for private sector and social enterprise economic growth to support the ONE NS economic goals.

Government's Framework for Private Sector Growth (Framework) is guiding government's actions to create the climate for private sector and social enterprise growth so the ONE NS goals can be achieved. As such, it is fundamental to the government's Innovation priority. Tourism Nova Scotia supports the Framework priorities of

- striving for global competitiveness, trade, and investment
- building capacity in high potential clusters (ocean industries, agri-food, and seafood)

Our success in attracting higher-yield first-time visitors, leading the development of world-class experiences, and stakeholder engagement supports the ONE NS goal of doubling tourism revenues (non-resident visitor expenditures are exports) and maximizes the value of tourism to the economy.

Stakeholder Roles

Successfully tackling an aggressive tourism revenues goal means that everyone has to be focused on aligning with that goal, and everyone has to "own their role." In concert with Tourism Nova Scotia, key stakeholders play a critical role in growing tourism revenues to meet the ambitious $4 billion goal.

Industry

- Close the sale pre-trip and during trip.
- Drive repeat visitation by exceeding visitor expectations.
- Invest in product.
- Deliver world-class experiences.

Community

Community is defined as municipalities, destination marketing organizations, and regional tourism industry associations.

- Partner with industry to deliver destination development and marketing.
- Visitor servicing.

Government

- Align policy agenda in support of the ONE NS goal to reach $4 billion in tourism revenues by 2024, including
  - community economic development
  - attraction of inward investment
  - infrastructure development

Strategic Goals and Priorities

In order to deliver on government's and the Government's Framework for Private Sector Growth priorities, Tourism Nova Scotia has developed key strategies to guide its activities in 2016–2017.

Attract First-time Visitors to Nova Scotia

While Tourism Nova Scotia cares about *all* visitors, our marketing messages and execution will focus on converting those who have not been to Nova Scotia before.

Invest in Markets of Highest Return

Tourism Nova Scotia is investing in markets of highest return; that is, visitors who will spend the most money while visiting. Staying longer is not necessarily a requirement as daily spend can compensate for length of stay.

2015–2016 was a banner year for tourism growth in Nova Scotia. In 2016–2017, Tourism Nova Scotia will build on the previous year's success, with particular focus in the following areas:

- Deliver a consumer-focused marketing campaign. In 2016–2017, Tourism Nova Scotia will launch a consumer marketing campaign that targets key Explorer Quotient segments (Authentic Experiencers, Cultural Explorers) in markets of highest return (Ontario, Quebec, the northeastern U.S., U.K., Germany).
- Conduct research to identify and deepen understanding of Nova Scotia's target markets (demographic, geographic, psychographic).
- Extend marketing reach through strategic initiatives with key stakeholders (e.g., co-operative advertising) and align tourism marketing and air access plans. New in 2016–2017 is a Search Engine Marketing (SEM) program that will leverage the scale of Tourism Nova Scotia's SEM activities and unite operators under one cohesive search effort for maximum efficiency in key markets of Ontario, Quebec, and the northeastern U.S.
- Extend our consumer marketing reach and grow visitation through the travel-trade sales channel. In 2016–2017, Tourism Nova Scotia will launch China as a new market. This includes developing partnership activity with Destination Canada and selecting travel-trade contacts.
- Conduct a Nova Scotia brand review. Building on our strengths as a tourism destination, in 2016–2017, we will conduct a brand review to ensure the strongest connection between Nova Scotia's tourism brand and our target markets.
- Deepen our understanding of the sharing economy. In 2016–2017, Tourism Nova Scotia will undertake a review of the sharing economy to better understand the opportunities and challenges it presents to Nova Scotia's tourism industry.
- Evolve Tourism Nova Scotia's content strategy. In 2016–2017, Tourism Nova Scotia will develop an approach to shift our focus from the development of the best possible content for NovaScotia.com

to the acquisition and distribution of the best possible content to where consumers are, including NovaScotia.com, online travel agencies, traveller review websites, social media, YouTube, etc. A Content Development program will enable the development of content that can be leveraged by Tourism Nova Scotia and tourism operators.

- Monitor collective progress of the tourism industry against the ONE NS $4 billion tourism revenues goal. Tourism Nova Scotia is responsible for developing annual tourism revenue estimates. In 2016–2017, we will develop preliminary tourism revenue estimates for 2016.

Focus on World-Class Experiences

Tourism Nova Scotia will lead tourism experience and sector development through a "world-class" lens to support attracting first-time visitors.

Explorer Quotient, the traveller values-based segmentation, will inform experience development in 2016–2017. Members of Tourism Nova Scotia's Development team are working to become Explorer Quotient experts, and will attain Explorer Quotient Associate Trainer status this year.

Key 2016–2017 priorities include the following:

- Conduct research, leveraging the Explorer Quotient segmentation model, to identify opportunities for tourism sector development.
- Nova Scotia must position itself as an attractive place to invest and operate a tourism business. In 2016–2017, Tourism Nova Scotia will, in collaboration with key stakeholders, explore opportunities and create a work plan for investment attraction and Nova Scotia's investment readiness to respond to opportunities.
- Strategically prioritize and influence tourism sector development opportunities. New in 2016–2017 is the world-class Experience EXCELLerator program, which will inform development of up to 10 new purchasable experiences in Nova Scotia.
- Build Tourism Nova Scotia's program evaluation capacity. To build on success and ensure strategy alignment, we will establish key performance indicators for new programs, and track and benchmark results (e.g., industry engagement, revenues, media, first-time visitors).

Build Nova Scotia's Tourism Confidence

Tourism Nova Scotia will build stakeholder knowledge of, and support for, Tourism Nova Scotia's strategic direction to attract increased investment, grow revenues, and boost Nova Scotia's tourism confidence. Key 2016–2017 priorities include the following:

- Platform/channel development. Tourism Nova Scotia will redesign and implement marketing communications channels to reflect the corporation's new mandate and communications objectives, including the following:
  - Corporate website redesign: Tourism Nova Scotia's corporate website will be the go-to source for information about Nova Scotia's tourism goals and priorities, Tourism Nova Scotia's strategic plan, monthly visitation reports, industry's progress toward the 2024 $4 billion tourism revenues goal, and Tourism Nova Scotia's corporate information, tools, resources, and programs for industry. The site will provide potential

  investors and entrepreneurs with information on how to explore business/investment opportunities in Nova Scotia.
  - Social media: Tourism Nova Scotia will establish corporate social media channels for the purposes of educating our partners and industry about what we are doing, and providing insights about opportunities that will help them.
- Assess resident and stakeholder views of the tourism industry and Tourism Nova Scotia. Tourism Nova Scotia will conduct market research to track Nova Scotia residents' views of the provincial tourism industry, and to benchmark stakeholder views of the industry and Tourism Nova Scotia.

Core Responsibilities

Government outcome: The delivery of core services by government to Nova Scotians is effective and efficient.

In addition to the key 2016–2017 priorities identified above, Tourism Nova Scotia provides support to the tourism industry in the following areas.

Provincial Visitor Information Centres

Tourism Nova Scotia operates six provincial Visitor Information Centres (Halifax Stanfield International Airport, Halifax waterfront, Amherst, Yarmouth, Peggy's Cove, Port Hastings). Visitor Information Centre staff assist visitors with planning their travel throughout Nova Scotia and encourage increased spending and length of stay. Tourism Nova Scotia also provides funding that contributes to the operation of local visitor information centres across the province.

Tourism Contact Centre

The Tourism Contact Centre supports the marketing programs as the point of contact for marketing program inquiries for Nova Scotia travel planning and reservation services. In 2016–2017, the Tourism Contact Centre's role will be optimized to fully align with Tourism Nova Scotia's strategic direction.

Literature Distribution Program

The Literature Distribution Program supports the marketing programs to generate visitation to Nova Scotia. The program includes direct-to-consumer and public sector tourism literature services to key target markets.

Outcomes and Performance Measures

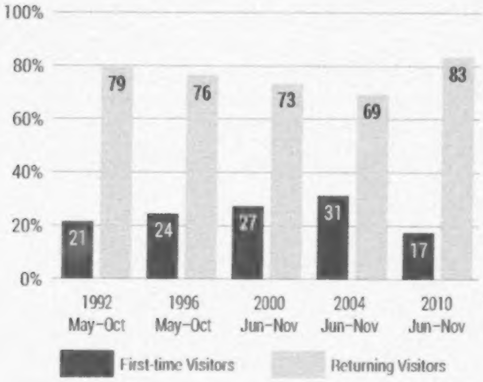
While Tourism Nova Scotia is working in concert with key stakeholders to increase visitor expenditures, Tourism Nova Scotia cannot directly increase all visitor expenditures. One component of our work is to influence awareness and consideration of Nova Scotia as a vacation destination, and the other is to engage and influence Nova Scotian stakeholders to implement the tourism strategy that was developed in consultation with industry.

Outcome: Increase tourism expenditures by attracting more first-time visitors to Nova Scotia.

While Tourism Nova Scotia cares about all visitors, an important part of increasing the level of visitor expenditures is increasing the number of first-time visitors to Nova Scotia. Research indicates that 83 per cent of our visitors are return visitors, so it is important for us to increase the exposure of Nova Scotia to those who have not yet visited.

The 2010 Nova Scotia Visitor Exit Survey reported that 13 per cent of visitors to Nova Scotia were first-time visitors, a marked decline from previous levels of first-time visitation. Increasing first-time visitation to Nova Scotia is essential to the long-term prosperity of the tourism industry. Tourism Nova Scotia will continue to track first-time visitation to the province via the Nova Scotia Visitor Exit Survey. Results for the 2015 Visitor Exit Survey (running from May 1, 2015, to April 30, 2016) will be reported in 2016.

First-time and Returning Visitors



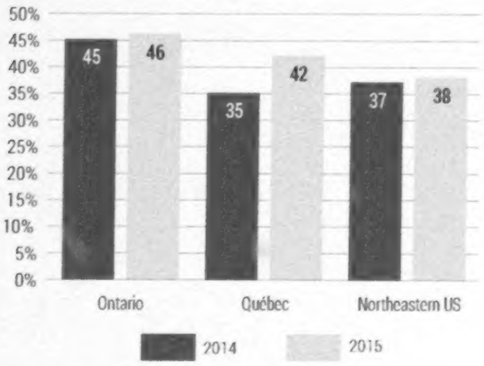
Not all factors that affect the decision to visit Nova Scotia are under our control; however, Tourism Nova Scotia influences consumer decisions by marketing Nova Scotia to specific markets. Tourism Nova Scotia's advertising campaigns create awareness and drive consideration and choice of Nova Scotia as a vacation destination. Encouraging non-visitors to learn more about the province is an important step on the path to purchase.

One way to get insight on the success of our activities is the monitoring of new visitors to our website, NovaScotia.com. In 2015, approximately 1.4 million (or 59%) of the 2.3 million unique visitors to NovaScotia.com had not yet visited Nova Scotia. This is a measure that provides insight on the effectiveness of our marketing campaigns. Tourism Nova Scotia will continue to track the number of visitors to NovaScotia.com who have not yet visited the province. As advertising campaigns become more effective, the pool of people who have not visited Nova Scotia may actually decline.

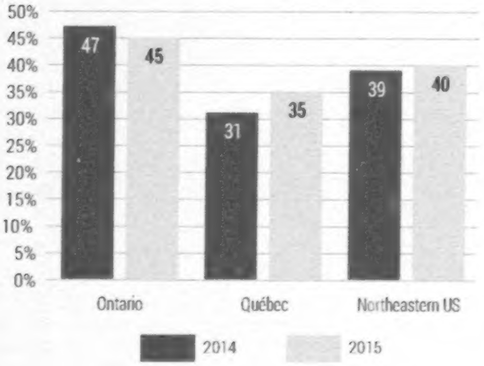
Outcome: Increase visitor expenditures by strategic investment in high-yield markets.

By investing in markets of higher yield to influence people to consider Nova Scotia as a vacation destination, Tourism Nova Scotia seeks to increase visitor expenditures. High-yield markets have a variety of characteristics, whether geographic, demographic, or psychographic (related to values, motivations, aspirations). Our marketing investment seeks to influence the decision to come to Nova Scotia by creating awareness and interest in Nova Scotia as a vacation destination. A lead indicator for assessing the effectiveness of our marketing dollars is consideration of Nova Scotia as a vacation destination. Tourism Nova Scotia monitors the strength of the Nova Scotia tourism brand among non-visitors to Nova Scotia in key target geographic markets, currently Ontario (Toronto/Ottawa), Quebec (Montreal), and the northeastern U.S.

Rating of Nova Scotia as a Vacation Destination among Non-visitors
(percentage rated 8, 9, or 10 on 10-point scale)



Interest in Visiting Nova Scotia among Non-visitors (percentage rated 8, 9, or 10 on 10-point scale)



Having a highly favourable opinion of Nova Scotia, and being highly interested in visiting the province are important steps on the path to purchase. In 2015, indicators for consideration of Nova Scotia as a vacation destination in key markets among non-visitors were stable in the Ontario and northeastern US markets, and up in the Quebec market. The goal is to maintain this strong performance.

Outcome: Develop world-class visitor experiences to appeal to first-time visitors.

Tourism Nova Scotia will lead tourism experience and sector development through a "world-class" lens to support attracting first-time visitors.

Tourism Nova Scotia's Experience EXCELLerator pilot program is focused on the development of up to 10 tourism experiences that are aligned with Nova Scotia's target Explorer Quotient segments. In 2016–2017, we will focus on developing and benchmarking measures, including the number of Explorer Quotient–aligned experiences developed and sales of experiences.

Outcome: Improve engagement in tourism industry by Nova Scotia stakeholders and residents.

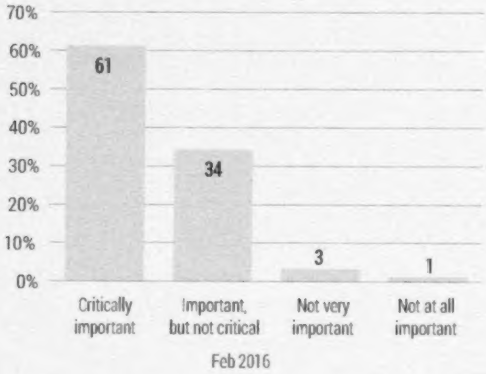
An important component of the ability of the Nova Scotia tourism industry to achieve its goal of doubling tourism revenues is the engagement of the industry, particularly stakeholders, to support Tourism Nova Scotia's strategic direction. In 2016–2017, Tourism Nova Scotia will benchmark, via a stakeholder survey, perceptions of the provincial tourism industry, and stakeholders' intent to take actions to grow tourism as a service export.

It is not only the physical infrastructure that is important to the tourism industry in Nova Scotia. Personal interactions with Nova Scotians are critical to the visitor experience and influence the desire of visitors to recommend Nova Scotia as a vacation destination and to become repeat visitors.

It is impractical to measure visitor–Nova Scotian interactions; however, the attitudes held by Nova Scotians about pride of place and the importance that Nova Scotians place on the tourism industry are proxy indicators for positive visitor–Nova Scotian interactions.

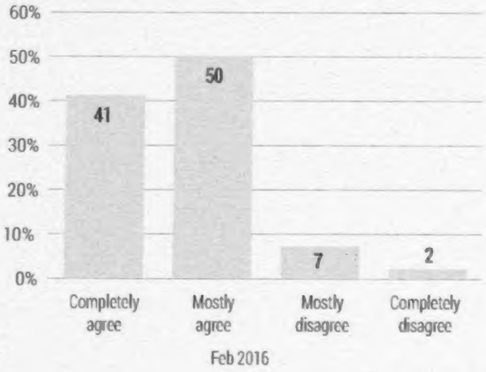
In 2015–2016, Tourism Nova Scotia benchmarked Nova Scotia residents' confidence in the provincial tourism industry. The majority of Nova Scotians view the provincial tourism industry as critically important to Nova Scotia's economy. Over 90 per cent completely or mostly agree that they are proud of what Nova Scotia offers to visitors. Pride in provincial tourism offerings is important; a population that takes pride in its tourism offerings will share this pride with visitors and will be more likely to feel a sense of personal ownership and involvement in the tourism industry.

Importance of Tourism Industry to NS Economy



In 2016–2017, Tourism Nova Scotia will update the resident tourism confidence measures.

Proud of What Nova Scotia Offers to Visitors



Financial Summary

	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Revenue			
Provincial operating grant	22,618,000	22,933,000	21,164,000
Tourism fees and charges	–	954,000[1]	729,000
Tourism Recoveries	–	155,000[1]	577,000
Total revenue	22,618,000	24,042,000	22,470,000
Expenses			
CEO and board administration	260,000	172,300	352,400
Corporate services	6,824,200	10,856,200	7,033,700
Marketing	10,968,000	10,546,100	11,637,300
Sector development	4,277,800	3,593,400	3,276,700
Total expenses	22,330,000	25,168,000	22,300,100
Surplus (deficit) before other items	288,000	(1,126,000)	169,900
Other items			
Provincial capital grant	–	8,783,000[2]	–
Amortization	288,000	197,000	169,900
Surplus (deficit) after other items	–	7,460,000	–

[1] The fees, charges, and recoveries have been shifted from the Province of Nova Scotia's general revenues to Tourism Nova Scotia.

[2] The provincial capital grant is comprised of a one-time grant primarily for the transfer of assets from the Department of Business to Tourism Nova Scotia.

Crown Corporation Business Plans

2016–2017

Trade Centre Limited

NOVA SCOTIA

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Message from the CEO and the Chair

Trade Centre Limited (TCL) is a key economic and community driver for Nova Scotia, attracting new visitors and opportunities to our province through events. When we attract and host an event, we serve as a platform for connecting Nova Scotia's businesses, people, and expertise with the world.

TCL works in collaboration with our government partners, the Province of Nova Scotia and Halifax Regional Municipality, to operate our business in a responsible, transparent manner. With a strong strategy in place to help us achieve growth, we work together to position Nova Scotia as Canada's premier east coast events destination on a global stage.

Looking to 2016–2017, we are focused on strategic activities that will help us prepare to successfully open and operate the new Halifax Convention Centre. This includes marketing and selling our new convention centre to national and international visitors to ensure we attract the right mix of events to Nova Scotia. Together with our community, business, and government partners, we will continue to reach our goals and maximize the impacts for Nova Scotians through the events we host.

As an organization, we are proud of our ability to evolve and adapt in an environment of significant change and opportunity. Enhancements to our business processes, workforce, and operating structure will help make us stronger, building a solid foundation for an exciting future ahead.

Yours truly,

Scott Ferguson
President and CEO

Justin McDonough
Chair, TCL Board of Directors

Mandate

Trade Centre Limited (TCL) is a provincial Crown corporation focused on attracting and hosting events that create economic and community benefits by bringing people together in Halifax and Nova Scotia.

To achieve this mandate, TCL operates the World Trade and Convention Centre (WTCC), Ticket Atlantic, and Scotiabank Centre, which is owned by Halifax Regional Municipality (HRM). TCL is also responsible for marketing, sales, and operational preparations for the new Halifax Convention Centre, opening in 2017.

Alignment with Government's Priorities

Government Priority: Innovation

Government Outcome: Nova Scotia has a strong and globally competitive economy and a sustainable, modern government.

Government Goal: Create the climate for private sector and social enterprise economic growth to support the ONE NS economic goals.

Government's Framework for Private Sector Growth (Framework) is guiding the government's actions to create the climate for private sector and social enterprise growth so the ONE NS goals can be achieved. TCL supports the Framework priority "Strive for global competitiveness, trade, and investment" through our work in attracting national and international conferences and hosting major events. Our success in attracting conferences, and therefore new visitors, helps support the ONE NS goals of doubling exports and tourism revenues (out-of-province visitor expenditures are exports). By attracting these new visitors to the province, we provide opportunities for the tourism-related private sector to increase revenues, especially since many visitors will choose to come early or stay later.

TCL will also support the Framework's priority of building capacity in high potential clusters by attracting and hosting conferences in these disciplines, highlighting Nova Scotia's economic and research strengths. Event attendees will be exposed to local businesses, research, and experts, helping to build our reputation as a centre of excellence and innovation on a global stage.

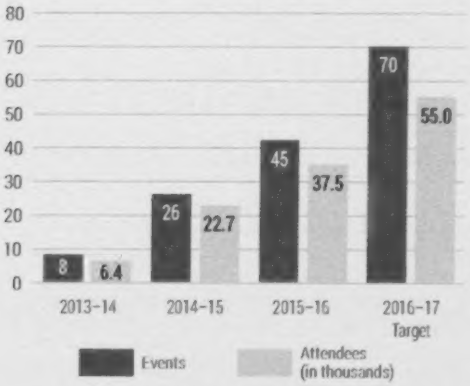
Actions

- **New convention centre sales activity:** Continue to focus on business that attracts new visitors and new money to Nova Scotia through national association, national corporate, and international events. Our sales strategy will expand to concentrate on bookings for the first five years of operations in the new centre. We will also activate our local/regional sales strategy, focusing on business for the first two years of operations.
- **New convention centre marketing activity:** Continue to focus on generating brand awareness and instilling client confidence to achieve our public market projections.
- **New convention centre partnerships:** Partner with like-minded organizations to attract events to the new convention centre.

- **New convention centre community engagement:** Develop and implement a formalized community engagement strategy around the opening of the new centre to highlight the economic and community impact of our business and the opportunities that local businesses can lever with an influx of new visitors to Nova Scotia.

Outcome: Increase export growth

TCL contributes to increasing export growth by booking and hosting national and international conventions with attending delegates. Given the lead-time between booking and event hosting, this forward-looking measure concentrates on the total number of national and international events booked for the new Halifax Convention Centre as well as the number of delegates that are expected to attend. In 2016–2017, we are targeting strong growth, with a projected cumulative total by year-end of 70 events booked with an expected 55,000 delegates.


Cumulative total of secured events for new Halifax Convention Centre as of fiscal year-end

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable, modern government.

Government goal: Innovate and achieve sustainable delivery of public services.

The Framework has priorities around fiscal sustainability and service excellence. To effectively transition to the new Halifax Convention Centre we will need to implement a multi-year operational plan. A key component includes leveraging technology to drive continuous process improvement in how we plan and deliver events through our event management, and scheduling, time, and attendance systems. This will help us maximize use of resources and ensure the efficient delivery of services for complex and multiple events at the same time. TCL will also establish a customer experience vision and determine the service delivery model required to deliver events at an internationally accredited standard.

Part of the transition to the new convention centre includes establishing a new governing entity. TCL is committed to maintaining a culture of accountability, organizational effectiveness, and responsible management. We will collaborate with our government shareholders to support the development and implementation of an effective governance structure for the Halifax Convention Centre Corporation, including ensuring optimal board composition.

Actions

- **Scheduling, time, and attendance:** Explore options for a more efficient, technology-based solution to manage scheduling, time, and attendance that fits within our existing budget framework, recognizing our increasing workforce as we prepare to open the new centre.

- **Event management system:** Continue the full organization-wide roll-out of our new event management system, which began last year. This includes a mobile component and implementation of electronic purchase orders.
- **Customer experience:** Develop the customer experience vision and processes required to implement the vision in the new convention centre. This includes development of an internal engagement strategy and service delivery model to deliver on our brand promise and foster a culture of service excellence.
- **Facility design:** Oversee the implementation of final design to ensure that the facility meets operational requirements and customer expectations. This will include audiovisual technology and networking, lighting, digital signage, wayfinding, and interior design.

Outcome: Sustainable delivery of public services

Measures	Targets
Increased operational efficiency and effectiveness	Successful implementation cf new approach to time and attendance Successful implementation of event management system organization-wide Successfully plan and begin recruitment, retention, and training programs to support customer experience vision

Core Responsibilities

Government outcome: The delivery of core services by government to Nova Scotians is effective and efficient.

Prior to opening the new Halifax Convention Centre in 2017, TCL will continue to operate and host events in the WTCC. Operations are also ongoing for Scotiabank Centre, which is owned by HRM and operated by TCL, as well as Ticket Atlantic.

TCL generates economic impacts through events and associated attendance in the facilities we operate. These events result in direct expenditures by exhibitors, planners, and promoters on events and activities, plus visitor expenditures of attendees, delegates, exhibitors, planners, promoters, and additional party members.

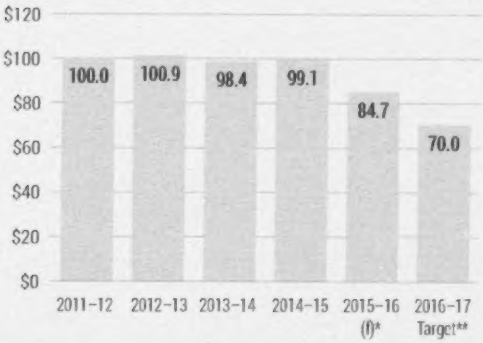
Actions

- **WTCC operations:** Focus on effective and efficient delivery of the events we host in the current facility, including the seven events originally booked for the new centre, which shifted due to the change in opening date from 2016 to 2017.
- **Scotiabank Centre operations:** Support Scotiabank Centre event attraction through partnerships to ensure a strong, diverse mix of events that aligns with customer and community expectations.

Outcome: Increase export growth

Export growth in Nova Scotia is increased by TCL's hosting of regional, national, and international conventions and events. Attendees, planners, and exhibitors spend money in Nova Scotia, adding to our exports. Out-of-province visitor expenditures are part of Nova Scotia's exports. This measure estimates the direct expenditures of visitors in a given year associated with events hosted by TCL across its facilities. A decrease in direct expenditures is expected this year, as TCL is no longer operating Exhibition Park and is in transition from the WTCC to the new Halifax Convention Centre. The 2016–2017 direct expenditure target is $70 million.

Direct Expenditures ($ millions)



* 2015–16 data is forecasted (f) based on actual events to end of Q3 combined with internal forecast for Q4. Exhibition Park numbers are included until November 2015.

** Estimated direct expenditures target has been revised to account for the disposition of Exhibition Park and the associated event impacts, and it reflects the impact of the transition from the operations of WTCC to the new Halifax Convention Centre during the year.

Budget Context

In 2017, Nova Scotia's new Halifax Convention Centre will open its doors to the world, introducing a new set of economic and community growth opportunities for our province. Preparing to successfully open and operate the new convention centre is TCL's primary goal in 2016–2017. Efforts across all areas of our operations will focus on the delivery of our core business while preparing to operate the Halifax Convention Centre.

TCL has the team in place to effectively manage our existing facilities and deliver on our plans for the new Halifax Convention Centre. Any new resources required as we approach the opening of the new convention centre will be covered under the following annual budgets:

- **TCL Operational** – generated by forecasted event revenues from the existing WTCC, Office Tower, and Ticket Atlantic. No significant capital spending is planned for this fiscal year.
- **Halifax Convention Centre** – funded by grants shared 50/50 by the Province of Nova Scotia and HRM. Includes sales, marketing, and operational activities for the new convention centre.
- **Scotiabank Centre** – generated by forecasted event revenues. Planned capital projects are covered through HRM Major Events Reserve and the naming rights partnership with Scotiabank, as approved by HRM.

The Province of Nova Scotia and HRM, in collaboration with TCL, are working together to finalize the approach to governance and operations of the new corporate entity that will manage the convention centre. TCL's approach to business activity in 2016–2017 may evolve depending on the timing of the transition to the new entity.

Forecasted financial operating results for the 2015–2016 fiscal year for TCL is a loss of $978,800. The forecasted financial result for the 2015–2016 fiscal year for Scotiabank Centre is an operating income of $34,000.

Our financial goal in the next fiscal year is to maximize revenue potential and operational efficiencies throughout our core business, consistent with government's fiscal goal of achieving sustainable government by 2017–2018. Our total combined revenue projection for 2016–2017 is $24.1 million (TCL $17.0 million, including grant revenue for the Halifax Convention Centre, Scotiabank Centre $7.1 million), resulting in a combined position before depreciation for TCL of $1.4 million and operating income for Scotiabank Centre of $10,000.

TCL is managing the transition year budget for the Halifax Convention Centre for the period April 1, 2016, to March 31, 2017.

The Halifax Convention Centre budget includes grants and expenditures relating to sales and marketing and operational readiness activities associated with preparing to operate the Halifax Convention Centre.

Financial Summary

	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Revenues	12,214,700	10,861,500	9,996,700
Expenses			
Event operations	5,450,200	5,372,200	4,349,100
Salaries and benefits	3,018,700	2,997,200	2,707,700
General operations	2,965,000	2,555,400	2,049,900
Taxes and insurance	917,800	915,500	890,000
Total expenses	12,351,700	11,840,300	9,996,700
Income (loss) before Halifax Convention Centre and depreciation	(137,000)	(978,800)	0
Halifax Convention Centre			
Revenue from grants	1,598,000	1,823,200	6,962,000
Expenses	1,446,000	1,671,200	5,556,600
Net Halifax Convention Centre	152,000	152,000	1,405,400
Operating Income (loss) before depreciation	15,000	(826,800)	1,405,400
Depreciation	1,545,000	1,545,000	1,100,000
Income (loss) for the year	(1,530,000)	(2,371,800)	305,400

Halifax Convention Centre revenue from grants for 2016–17 includes a capital grant of $3,000,000 for smallwares. The revenue is recognized in 2016–17, but the capital portion of $1,405,400 is depreciated in future years per PSAS.

The 2015–16 forecast is made at January 31, 2016, per TCL's internal financial statements.

Halifax Convention Centre revenues, expenditures, and budgets are disclosed separately from TCL operations.

Revenues and expenses for the Scotiabank Centre are not reflected in this budget. The Scotiabank Centre is a facility owned by HRM and operated by TCL under an operating agreement. All operating income or losses generated accrue to HRM, and all capital improvements are funded by the municipality. In collaboration with HRM, TCL has developed a Scotiabank Centre business plan, which will identify critical priorities and measures.

Crown Corporation Business Plans

2016–2017

Waterfront Development Corporation

NOVA SCOTIA

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Message from the Board Chair and the Acting President and CEO

Our place by the ocean gives the world a reason to know us, to do business with us, and to visit us. It is vast with opportunity. Our history is a maritime history, and our future prosperity as a province will be determined by the extent to which we are able to unlock the potential the ocean presents to us. This is what we think about every day at Waterfront Development.

Few places in the world can match the strategic advantages Nova Scotia has in the ocean economy. By developing waterfront infrastructure that harnesses these advantages, we can help achieve the ONE NS goals of increasing business start-ups, increasing the value of exports, and increasing the number of research and development partnerships. An example of this work is the purchase of the former Coast Guard lands in Dartmouth. Waterfront Development purchased the site last year following substantial analysis and is working with industry, government, and our post-secondary institutions to develop this site as a platform where business can cluster. Building on Nova Scotia's competitive advantages in the ocean sector, COVE, the Centre for Ocean Ventures and Entrepreneurship, will stimulate the growth of an Ocean Innovation Ecosystem.

This same model is applied to our work in the tourism sector. The Halifax and Lunenburg waterfronts are thoughtfully planned and designed to create quality public spaces with access to the water's edge, as well as platforms on which business can thrive. They have become centres of our communities, drivers of tourism visitation, and spaces where our community and visitors can gather to celebrate Nova Scotia.

Well-designed cities or towns are attractive, safe, inclusive, and invigorating. They are places that attract people to live, create diversity, and spur entrepreneurial activity. They become magnets for growth in our population and our economy. Waterfront Development strives to create the optimal mix of private sector businesses, public infrastructure, and community partners to flourish.

Dale Godsoe
Chair of the Board

Jennifer Angel
Acting President and CEO

Mandate

Waterfront Development's purpose is to redevelop and revitalize the lands surrounding Halifax Harbour, Lunenburg Harbour, and any other lands designated by its shareholder, the Province of Nova Scotia.

Our mission is to harness the potential of our waterfronts by developing ideas, infrastructure, and experiences that stimulate business investment and community pride.

Our place by the ocean is our greatest natural advantage as a province. The extent to which we can harness this potential will determine our future prosperity. To accomplish this, we secure strategic parcels of land around which we create a development plan. The development plan is implemented through commercial partnerships that enable Waterfront Development to build infrastructure that supports both the public interest and business growth in sectors where Nova Scotia has a competitive advantage in the global economy.

It is a financially sustainable model. After an initial investment in planning, partnership selection, and construction, the completed developments generate revenue sufficient to cover the operating expenses for the new infrastructure.

Guiding Values

Waterfront Development is a provincial Crown corporation, carrying out a public mandate in a private sector environment. In fulfilling our public obligations, we will exhibit the following values in addition to the compassion, courage, and initiative that characterizes past successes.

Commitment: Forge and sustain partnerships that generate positive economic and societal returns.

Accountability: Uphold the public's trust by ensuring access to the water's edge, fiscal accountability, and involvement in the dialogue about waterfront development, and ensuring transparency with our plans.

Flexibility: Take the extra step to understand and champion business partners who share our values and vision for the waterfront.

Excellence: Be a strong and knowledgeable voice on economic development, planning and design, partnership models, and waterfront development.

Foresight: Generate for Nova Scotians a positive financial return to reinvest in a continuous upward spiral of waterfront opportunities.

Sustainability: Create the capacity for future waterfront uses and enjoyment by harmonizing our economic goals with environmental sustainability.

Alignment with Government's Priorities

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable, modern government.

Government goal: Create the climate for private sector and social enterprise economic growth to support ONE NS economic goals.

Waterfront Development is leading key projects that involve infrastructure that builds capacity of our ocean industries in research and development, commercial marine operations, and ocean-related tourism.

Government's Framework for Private Sector Growth (Framework) is guiding government's actions to create the climate for private sector and social enterprise growth so the ONE NS goals can be achieved. Aligning with government's priorities, Waterfront Development supports the priority of "building capacity in high potential clusters."

Actions

COVE

Waterfront Development led the strategic purchase and proposed redevelopment of the former Dartmouth Coast Guard facility into the Centre for Ocean Ventures and Entrepreneurship (COVE), which will become an anchor for the ocean technology cluster in Nova Scotia.

This year we will continue to work in partnership with the Department of Business to advance plans to develop infrastructure.

Outcome:

- Access to infrastructure for sustainable growth

Measure	Target
Percentage of leasable area with "Intent to Lease" (private sector tenants)	90%
Percentage of recapitalization project completed	50–75% (subject to funding approval)

Lunenburg Waterfront

Waterfront Development supports the priority of "building capacity in high potential clusters" through the continued redevelopment of the Lunenburg waterfront to promote marine and tourism businesses.

This year we will continue management of the Lunenburg waterfront.

Outcome:

- Access to infrastructure for sustainable growth

Halifax Waterfront

Waterfront Development supports the priority of "building capacity in high potential clusters" through the continued redevelopment of the Halifax waterfront to promote tourism business clusters.

This year our work will advance key projects including the following:

- Cunard Development: Advance planning and design of project.
- Queen's Marque Development: Finalize planning and design of project.

- Tall Ships 2017: Explore opportunities and advance plan in partnership with the Department of Communities, Culture and Heritage, and Tourism Nova Scotia.
- Halifax Boardwalk Small Business: Complete site master plan and construction, secure private sector tenants, negotiate agreements.
- Marine Marketing Partnership: Advance partnerships, implement marketing plan.

Outcome:

- Access to infrastructure for sustainable growth

Measure	Target
Cunard Development: construction commenced	100%
Queen's Marque: construction commenced	100%
Tall Ships: funding secured; project plan developed and implemented (subject to funding approval)	50%
Halifax Boardwalk Small Business: new property developed, site leases complete	100%
Marine Marketing Partnership: implementation of marketing plan	30%

Core Responsibilities

Government outcome: The delivery of core services by government to Nova Scotians is effective and efficient.

Waterfront Planning and Development

Plan and design places (or waterfronts) that attract investment and people to generate economic activity and public benefits for Nova Scotia.

Our portfolio includes approximately 120 acres of waterfront real estate in Dartmouth, Bedford, Lunenburg, and Halifax. Through the planning and development of these lands we are leveraging waterfront assets as a platform for private sector investment, which supports both the growth of large and small businesses and substantially impacts the social and architectural fabric of our city and our provincial economy.

This year, we will advance a master plan for public spaces on the Halifax waterfront that will involve public engagement.

Redevelop waterfront properties from unimproved land to new buildings and infrastructure.

Our work revitalizes waterfront land through thoughtful planning and development that reflects the interests of the community and contributes to increased community vibrancy, growth in key sectors of our economy, and enhanced waterfront visitation by drawing more people to live, work, shop, and play on our waterfronts.

This redevelopment work is implemented through commercial partnerships that enable Waterfront Development to build infrastructure that supports business growth in sectors where Nova Scotia has a competitive advantage in the global economy.

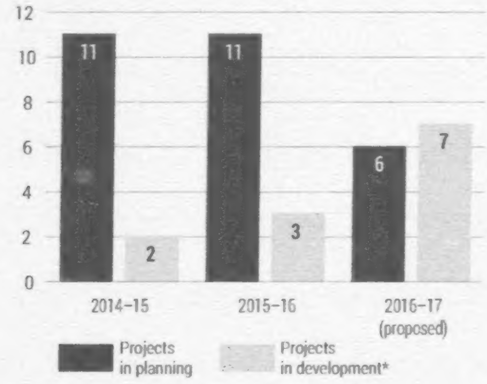
In 2016–2017, Waterfront Development will be actively advancing significant development projects through private sector partnerships. These projects represent approximately 993,000 square feet of new commercial and residential development with a total value of over $200 million. Our planning and development projects have multi-year timelines, as they move from the project planning phase into project development and full operation.

Infrastructure Development

Build and maintain infrastructure that provides visitors and citizens with public gathering spaces and amenities, and businesses with platforms to flourish.

In 2016–2017, we will continue our work to create animated, vibrant waterfront destinations through public space and infrastructure development. The creation of high-quality waterfront public spaces and commercial marine infrastructure attracts increased waterfront visitation and creates the conditions for business success.

Number and Status of Projects



* subject to approval

Commercial Marine Real Estate Management

Operate commercial waterfront property to be financially self-sufficient.

We acquire strategically important waterfront properties, and plan and develop the land in partnership with private sector business. The revenue that we generate through commercial rents, parking, and marina operations is reinvested in waterfront infrastructure for the benefit of the public and our economy.

In 2016–2017, we will continue to work toward financial self-sustainability while fulfilling our economic development mandate. One hundred per cent of our operating budget in Halifax will be generated from business operations.

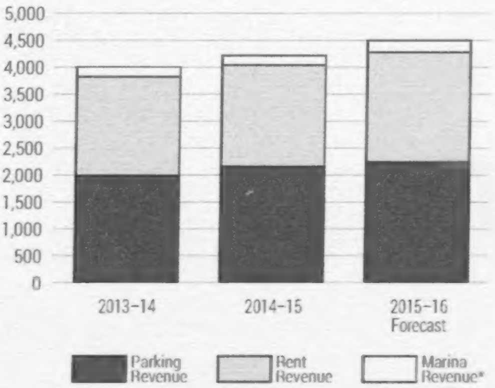
Business Development

Provide businesses with commercial opportunities on waterfront properties.

We work to create districts that foster innovation and entrepreneurship through thoughtful planning and partnerships with the private sector.

We provide these platforms for investment and growth, consistent with the province's goal to have the private sector lead the economic resurgence of Nova Scotia. In return, commercial agreements we enter into with the private sector provide the revenue the province needs to succeed.

Commercial Revenues ($, 000)



* 2014–15 Marina Revenue adjusted to reflect discount adjustment

In 2016–2017, Waterfront Development will continue to plan and develop opportunities for high-quality Nova Scotia businesses to locate on our property with the aim of supporting business start-ups and sector growth, enhancing the vibrancy of our community and the visitor experience, and driving revenues for reinvestment in waterfront infrastructure and programs.

Budget Context

Fiscal 2015–2016 marked a year of heightened activity when several projects were advanced to the point that we anticipate commencement of capital spending and the related economic spinoffs in fiscal 2016–2017. Our projects are primarily private sector led; Waterfront Development maintains ownership of the land and collects revenue from long-term land leases. In the case of COVE, the site of the former Dartmouth Coast Guard Base, we have worked in partnership to advance plans to develop infrastructure to inspire a cluster of private and public entities to come together to grow our ocean economy. The revenue stream from the COVE site and the Halifax sites of Queen's Marque and Cunard are not expected to materially affect our operating results in fiscal 2016–2017. After these projects are completed, the stable revenue stream they generate will be a key pillar in Waterfront Development's long-term financial health and will ensure the ability to continue to provide great waterfront experiences for all stakeholders.

Fiscal 2016–2017 will see a one-time write-off for the demolition of certain assets as part of the development process. These include the Queen's Landing and Cunard parking lots and their adjacent improvements, as well as two wharves. The anticipated developments will replace these aging assets with new assets that will offer new opportunities as public spaces.

Parking revenue is expected to decrease substantially, as parking will not be available in lots under construction. Parking revenue from surface lots is a temporary use of these properties. The period between construction commencement and completion will create unavoidable operating pressure. Waterfront Development continuously looks for new ideas and potential revenue sources as a means to mitigate these intermittent pressures. Recent years have seen continued growth in the demand for small-business-space opportunities, and our focus is on the thoughtful development of new and enhanced platforms for business success in our most visited destinations.

One of Waterfront Development's greatest challenges remains the maintenance of our extensive infrastructure. Our public areas such as the Harbourwalks, wharves, gathering places, and floating docks all require funds for their maintenance and enhancement. Waterfront Development strives to find the optimal balance on an annual basis between cost savings and preventive maintenance. The cash generated from operations is used to self-finance numerous small capital projects each year. This is necessary to avoid a slowly deteriorating asset base over time.

Financial Summary

	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Revenue			
Rents	1,509,000	1,544,500	1,567,000
Parking	2,476,000	2,227,700	1,980,000
Other income	477,600	654,600	542,000
Provincial grant	–	–	200,000
Total revenue	4,462,600	4,426,800	4,289,000
Operating expenses			
Insurance	96,800	109,500	130,000
Repairs & maintenance	327,600	218,000	270,000
Security	166,500	166,500	166,000
Utilities	176,900	143,900	184,000
Various other	342,800	509,300	357,000
Total operating expenses	1,110,600	1,147,200	1,107,000
Income from property	3,352,000	3,279,600	3,182,000
Program expenses			
Development & property	280,000	408,400	175,000
Total program expenses	280,000	408,400	175,000
Lunenburg			
Lunenburg revenue	207,000	207,000	207,000
Lunenburg grant	–	–	313,000
Lunenburg expenses	581,200	581,200	520,000
Total Lunenburg	(374,200)	(374,200)	–
Administrative expenses			
Amortization	840,000	763,200	840,000
Interest on long-term debt	30,000	15,000	20,000
Office, marketing, & other	583,000	577,800	528,000
Salaries & contracts	1,405,000	1,308,200	1,405,000
Staff expenses & benefits	214,000	207,000	214,000
Total administrative expenses	3,072,000	2,871,200	3,007,000
Surplus (deficit) before other items	(374,200)	(374,200)	–

Other items	Budget 2015–16 ($)	Forecast 2015–16 ($)	Budget 2016–17 ($)
Capital grant amortization	(98,500)	(98,500)	(84,500)
Cunard operating grant	–	–	120,000
Cunard lot write-off	(130,000)	–	(120,000)
Capital grant (Cunard)	500,000	–	500,000
Capital grant (Queen's Marque)	300,000	–	1,000,000
Annual surplus	**197,300**	**(472,700)**	**1,415,500**